The World's Daily Newspaper

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Friday, May 8, 1998



A Frantic Search for Survivors in Italy

Rescuers helping a woman in the southern Italian town of Samo on Thursday after she learned of the death of her husband in a mudslide. The rivers of mud that swept through several towns near Naples have killed at least 54 people. Page 5.

## Duisenberg Calls Feud Over EU Bank 'Absurd'

No Timetable on Resignation, He Insists

By Barry James

AVIGNON, France -- The leaders of France and Germany moved Thursday to display unity and set aside their bitter quartel over the European Central Bank, even as the bank's future chief castigated European leaders for the "slightly absurd" deal that led to his appointment.

President Jacques Chirac of France and Chancellor Helmut Kohl of Germany affirmed Thursday at a summit meeting here that the French-German friendship at the heart of Europe's monctary union had survived their dispute over the nomination of Wim Duisenberg as the head of the bank

Meanwhile, in Brussels, Mr. Duisenberg told European lawmakers that the hickering over the deal had left "a bad taste in the mouth." Speaking at a nominating hearing, he even said that he might not quit his post midterm.

I have never stated that I will serve only four or five years," Mr. Duisenberg told the European Parliament

committee hearing.
"What I have done," he added, was to indicate "that I regard it not likely I

will serve the full term." Mr. Duisenberg appeared to win over the committee with sharp criticism of the way European Union leaders had handled his appointment. "I deplore the fact that the nationality question has come so much to the fore, he said.

The negotiations over the bank pres-

idency almost broke down at the summit meeting in Brussels on Saturday, threatening the introduction of the European single currency, when France insisted that Mr. Duisenberg step down halfway through his eight-year term to make way for the governor of the Bank of France, Jean-Claude Trichet.

The dispute was resolved only when Mr. Duisenberg read out to ministers a statement that he was prepared to resign after four years, but without setting a specific date. The blatant way in which the French successfully applied poliocal pressure in favor of their candidate cast a shadow over the central bank's independence and, analysts said, weakened Mr. Kohl poliocally in the months pre-

ceding a difficult election in September.
Many people feel, Mr. Duisenberg, that your independence has been compromised," said a British member of the European Parliament, Alan Donnelly, at

a the committee hearing.

Mr. Duisenberg replied that he did not think this was so, but acknowledged that he had come under "intense" poliocal pressure to set a date for his departure.

Newssta	nd Prices
Andorra	LebanonLL 3,000 Morocco



egotiations had been among the most difficult of his political career. But, looking more relaxed at the French-German summit meeting in Avignon, he said the dispute had not shaken a deep

forged over a half-century. France and Germany would move ahead

See EUROPE, Page 4



friendship between the two countries.

At the end of the two-day meeting in the Palace of the Popes here, he said



Mr. Duisenberg addressing a European Parliament panel Thursday.

## Fast Lane for German Firms

Daimler-Benz Takes Over Chrysler as VW Acquires Rolls-Royce

By John Schmid

LONDON - German automakers moved boldly Thursday to extend their global influence as Daimler-Benz AG said it would acquire Chrysler Corp., and as Volkswagen AG won a come-from-behind bidding contest to buy Rolls-Royce Motor Cars Ltd., the luxury British carmaker.

The deal to create DaimlerChrysler, as the company will be called, is the higgest industrial takeover ever and the largest acquisition of a U.S. company hy

"On the road to World Inc.," Germany's Sueddeutsche Zeitung wrote.

The trans-Atlantic deal, signed late Wednesday in London, is a \$92 billion share swap and does not involve a buy-

out, executives said. An exuberant Juergen Schrempp, chairman of Daimler and the man who inioated negotiations with Chrysler in January, said, "This is an historic agreement that will change the face of the auto industry." He added: "We will have the size, profitability and reach to take on anyone.

The transactions represent an amhitious push hy both German carmakers to expand rapidly across borders and into new market segments. Daimler, which has been humbled in its recent efforts to launch subcompact models, effectively adds a full range of mass-market cars and minivans to its portfolio while VW continues a determined drive for npscale customers. (Page 13)

Takeo together, analysts said, the two acquisitions reflect the powerful reemergence of the German auto industry after a searing recession earlier in the decade. Germany's automakers have beeo adding jobs, sales and capacity this year and posted record profits.

Although Chrysler's chairman.

Robert Eaton, appearing with Mr. Schrempp on the neutral corporate territory of London, said the alliance was a 'merger of equals," it was clear that the German partner will dominate the new company, to be called DaimlerChrysler AG, with \$130 billion in annual rev-

Mr. Sehrempp, 52, will become the sole chairman of the merged company following an initial three-year interim period when he will share the top job with Mr. Eatoo to help integrate the two companies and their cultures, reducing Mr. Eaton, 58, to a transitional figure. Daimler, Germany's largest industrial group, will account for 57 percent of the company's equity base, which is valued at \$92 billion.

In its proposed purchase of Rolls-Royce, VW relied on its deep pockets to outbid rival German carmaker Bay-erische Motoren Werke AG — or BMW

— for Rolls-Royce. After Rolls-Royce's parent company Vickers PLC only two weeks ago declared BMW the winner of the hidding war, VW raised its bid to £430 million (\$713.2 million). well above the £340 million offered hy BMW. The deal must be approved by

shareholders, who meet in early June.

Daimler and Chrysler both expect to add new jobs and capacity on both sides of the Atlantic because of the demand they expect as the combination opens new geographic markets for each, Both promised to avoid plant closures and layoffs. "We expect to grow employ-ment in Europe and the U.S. quite substantially," Mr. Eaton said.

Borrowing from another German newspaper headline, Mr. Schrempp called the combination a "match made in heaven." The two companies have minimal geographic or product overlap, meaning that Daimler can use

See DAIMLER, Page 12



Juergen Schrempp, left, Daimler-Benz chairman, and Robert Eaton, head of Chrysler, at the London announcement,

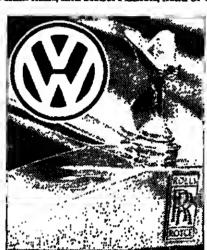
## Car Deals: What's Under the Hood?

For Daimler-Benz and Chrysler, the road ahead may be full of potholes. Page 12.

 Daimler-Benz's chairman, Juergen Schrempp, is firmly behind the wheel at the conglomerate. Page 12.

 Chrysler stake makes Kirk Kerkorian a hig profit — and a big prophet. Page 12

 German companies turn less German. Page 12.



## Students Defy Skeptics With Indonesia Protests

Marches Gain Broad Support, Off the Record

By Keith B. Richburg Washington Post Service

JAKARTA - The scene Thursday at a secretarial management school and maritime academy here has been repeated almost daily on campuses around

the capital and across the country. Hundreds of students gathered in the late morning, some holding placards and banners, some wearing the bright jackets of their school colors, in this case purple. They chanted for reform, sang patriooc songs, and marched through the front gates to test the mettle of the police and security forces trying to keep the protest

within the confines of the campus. There was tension, some pushing and shoving, as the students pressed against a row of plastic shields and helmets. There were scuffles. Finally, a director of the school climbed atop a police truck, and told the students through a barely audible megaphone that their cause was just, they should cootinne the fight, and their goal - the reform of the political system

 would ultimately be achieved.
 As the students filed, cheering, back to the campus, there was a startling scene: The students exchanged handshakes and high-five palm slaps with the policemen with whom minutes before they had been locked in nervous confrontation.

"We're going to continue until the government hears our demands," said a 3-year-old economics student. "But we're always looking to avoid any kind of conflict. Avoiding conflict is best for

Riots over price rises end. Page 4.

both sides." Another student, a 27-year old named Franky, added, "We are

making a revolution in this country. The students are angry and in open revolt against the government. They are organized, determined, and clear about what they want — a complete eco-nomic, political and legal overhaul of Indonesian society.

Economics is only one side of the crisis," said Dede, also an economics student. "We want to get rid of corruption, collusion. These are things that have been plaguing Indonesia for cen-

See INDONESIA, Page 4

## Mrs. Clinton Starts Storm By Backing 'Palestine'

By Brian Knowlton

WASHINGTON - The U.S. first lady, Hillary Rodham Clinton, prompted a furious reaccon on Thursday after she went beyond official U.S. policy and said she supported the establishment of an independent Palestinian state.

Her comments, made in a satellite hook-up to schoolchildren in Geneva on Wednesday, were sure to find already heated accusations.

to fuel already heated accusations from legislators in Washington that the Clinton administration has been tilting toward the Palestinian position in the peace negotiations with

"I think it will be in the long-term interests of the Middle East for Palestine to be a state," Mrs. Clinton told American, Israeli and Palestinian students in Switzerland. The development of a Palestin-

ian state, she added, would be "very important" for the "hroader goal of peace." Mrs. Clinton made the statement

after an Israeli student called her to task for using the word "Palestine" and pointed out that 'right now this country does not exist.' The administration quickly dis-

tanced itself from her comments, saying that they reflected only her personal view. They came at a highly sensitive

ome, however.

With a special U.S. envoy, Dennis Ross, headed back to Israel on Thursday at the request of Prime Minister Benjamin Netanyahu. the Israeli government is hesitating about whether to accept U.S. terms for a new round of peace talks in Washington on Monday. The official U.S. policy line is

that it does not want to prejudge the ontcome of final-status talks between Israel and the Palestinians on such sensitive matters as final borders and the status of Jerusalem.

Even before Mrs. Clinton's comments, members of Congress from both parties were accusing the administration of tilting toward the Palestinians and endangering the Middle East peace process by pres-suring Israel. In a quirk of schedul-

See ISRAEL, Page 4

#### Economic Turmoil Clips the Wings of Asian Airlines By Michael Richardson airline alliances that are expected to dominate pas-

International Herald Tribune

SINGAPORE — The currency collapse and economic shump in East Asia are reshaping air travel in the region, with severely weakened airlines streamlining their operations and turning to stronger foreign partners - mainly from the United States and Europe - to cut costs and gain access to more huoyant markets. Analysts say the result is likely to be an Asian aviation industry that is more efficient and profitable

hut less autonomous because its carriers will increas-

senger and freight traffic in the 21st century.

For travelers, there will be both benefits and drawbacks, according to Jonathan Wall, editor of Business Traveler Asia Pacific magazine. The advantages of such alliances, he said, include joint frequent-flyer programs, increased service and more efficient con-

nections and easier ticketing.

'The most glaring drawbacks include a reduction of flights on certain routes, a corresponding diminution of choice, widely differing standards of service the eventual creation of an aviation order dominated by a handful of oligopolies," he said.

Declan Magee, a transport analyst with HG Asia Securities Ltd. in Hong Kong, said: "There are a lot of distressed airline companies in Asia that are now prepared to form strategic alliances or sell stakes to other carriers to get access to the money, markets and man-agement expertise they need to help them recover. "This creates opportunioes for American and

See FLY, Page 17

## 12 Billion Years Later, Flash!

Brightest Cosmic Explosion Recorded Finally Reaches Earth

By Kathy Sawyer

WASHINGTON - Astronomers have detected the brightest cosmic explosion documented in human history, a cataclysm that for one or two seconds might have hurst with more light than all

the stars in the universe combined. The blast of high-energy gamma rays, a form of light invisible to unaided human eyes, was safely remote from Earth in time and space, having occurred 12 hillion years ago in the young uni-

The energy released by this burst in its first few seconds staggers the imagination," said Shrinivas Kulkarni of the California Institute of Technology

No one knows what produced the historic fireworks. But the event, and others like it that might now be detected, could open a window on the secrets of the most violent events in the universe and on unknown processes that shaped the first generations of stars to

form after the Big Bang, astronomers said. The light waves, weakened during their long journey across the cosmos, reached Earth on Dec. 14. Although the distant cataclysm resembled a normal star when it was captured in satellite images, it triggered a global scramble among gamma

See COSMOS, Page 4

	The Dollar	
New York	Thursday 9 4 P.M.	previous ciose
DM	1.7665	1.7651
Pound	1.8485	1.6585
Yen	133.30	133.175
FF	5.927	5.9175
NAME OF	The Dow	
	Thursday close	převious close
-77.97	8976.68	9054.65
	000 000	

Thursday @ 4 P.M. previous close <del>-9.78</del> 1095.14 1104.92 Page 10. Crossword Page 3. Pages 6-7.

#### AGENDA

## Unknown Vet to Be Exhumed

WASHINGTON (AP) - The remains of a Vietnam War veteran buried in the Tomh of the Unknowns were ordered exhumed Thursday to settle questions about whether he can, in fact, be identified.

The decision by Defense Secretary William Cohen comes one week after a Pentagon panel recommended that remains be exhamed from the Tomh of the Unknowns, the monument dedicated to the country's unidentified war dead. Ken Bacon, a Pentagon spokesman, said that Mr. Cohen

made the decision "after weighing the sanctity of the tomb with the need for the fullest possible accounting. "If we can identify the remains now, we have an obligation he said. The families, he said, "deserve nothing

Pages 20-21. The family of Lieutenant Michael Blassie, a fighter pilot missing during the Vietnam War, thinks the remains are his.

Moving Mountains / Fate of Pigeon Roost

## Strip Mine Plan Threatens A Bucolic Hollow's Culture

LAIR, West Virginia — Sylvia Weekley's family has lived here, in Pigeon Roost Hollow, for so many decades that the 84-year-old matriarch no longer recalls precisely when her ancestors first arrived.

Like other hollows tucked into the folds of southern West Virginia's mountains, Pigeon Roost is a lush and woody haven that appears much as it did centuries ago. A whispering creek passes close to Mrs. Weekley's front door. Her son, daughter-inlaw and a grandson live in a house nearby.

It is a place largely untouched by time and technology. Until now.

For all its rustic charm, Pigeon Roost is about to

The hollow lies at the foot of two mountains whose tops will be blasted away by Arch Coal Inc., a mining company in search of the valuable lowsulfur coal that is abundant throughout the region and is sold all over the world as a major fuel for electricity-generating plants. When the work begins, the bollow and the surrounding terrain will become part of a 3,100-acre (1,240-hectare) strip mine — the largest in the state's history.

In strip mining, mammoth machines remove coal

from veins near the surface by stripping away the land and vegetation. In mountaintop strip mitting, the remaining rock and earth are usually dumped down the mountain, burying hollows and streams, erasing whole communities and polluting rivers and

Strip mining is hardly new to West Virginia and other coal-producing states. It was a hot environmental issue in the 1970s. when mining companies began using it as an alternative to underground mining, which is costlier and more dangerous. Because of the moonscape-like terrain it left behind, strip mining became so contro-versial that it led to federal regulations aimed at protecting the land and water-

ways.

Mountaintop removal, a form of strip mining, is not new, either. Over the last decade it has become favored by many mining companies as the most efficient kind of strip mining, allowing them to remove coal faster and with fewer workers than any other process because the coal generally lies close to the surface at higher

Recently, however, the debate over strip mining has been reinvigorated by a measure signed into law in April by Governor Cecil Underwood, a Republican who is a former coal company executive. The law would allow companies to dump even more of the stripped land into the hollows and waterways below the mining sites before they would have to com-

pensate the state for the damage. Companies say they need the law to lower costs. West Virginia has a stake, too. Coal production has always been a major source of employment and tax

revenue in a state with few comparable options, But the law has frightened residents of Pigeon Roost and places like it, and has renewed old and bitter complaints that strip mining is an environ-

Anger over Arch's pending operations in Blair, where mining has already driven out many families, led to a recent hearing where local residents and environmentalists expressed opposition to the mag-

nitude of the operation. This is our culture, life in these small hollows." Patricia Bragg, a resident of Pigeon Creek, said in an

"We know that the quality of life we hold so dear is weighed against progress of the country," Ms.

Bragg added. "But we're paying for that progress. People raise millions to save whales and walruses and birds, but the state doesn't lift a hand to save the most precious thing in the world, a person's way of life.

The law has also touched off a bitter dispute between state and fed-eral officials who disagree over whether West Virginia is doing an adequate job of protecting the en-

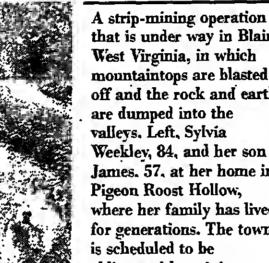
Mountaintop mining now ac-counts for nearly a third of all the coal produced in the state, a 50 percent increase in 10 years. It is a major reason that coal prices remain far cheaper than gas or oil as a source of

Proponents insist that the law will have little if any adverse effect on West Virginia's environment.

"I do not think you will see any degradation of the environment in West Virginia," said William Raney, president of the West Virginia Coal Association, a trade group If you do, I'll be the first in line to

Mr. Raney and other industry officials also say increasing sales of coal belp stabilize the economy of a relatively poor state where the coal industry accounts for 16 percent of





People like Larry Gibson. a retired auto worker whose family settled in the community of Kayford more than 150 years ago, do not need studies to confirm what they see. Since returning to West Virginia aboul 10 years ago, he has been fighling efforts by the coal companies to expand their strip-

T ONE TIME, he said, 30,000, people lived in Kayford, about 20 miles from Blair. Now the only permanent residents are the 100 or so members of Mr. Gibson's family who are buried at the top of Kayford Mountain. Mining on nearby peaks, which once were taller than Kayford Mountain, forced the remaining residents to leave, he said. Mr. Gibson and his relatives resisted selling the cemetery and adiscent land, on which they have built a small park.

"It's emotional for me, walking around bere, "he said, moving about headstones that had been broken

that is under way in Blair, West Virginia, in which mountaintops are blasted off and the rock and earth are dumped into the valleys, Left, Sylvia Weekley, 84, and her son James. 57, at her home in Pigeon Roost Hollow, where her family has lived for generations. The town is scheduled to be obliterated by mining.

by flying rocks from the blasting. "My target is to slow or stop the devastation coal is doing to this state. It used to be a showcase around here.

Dynamite explosions that cause flying rocks as well as cracks in walls and ceilings far from the blast site are a constant problem for people living near mining operations. They have caused many residents to accept buyouts from the coal companies, who offer \$100,000 and more for some homes. While the price may seem generous, many residents say it barely compensates for the cost of moving to a new community, finding a new job and buying

another home. But the Hobson's choice of enduring months of noise, dust and rocks or abandoning towns where relatives have lived for generations is beyond rea-sonable for many residents of southern West Virginia.

"The bottom line, whether they offer you a fair price or not, is why do I have to move?" said Ms. Bragg. "As an American. I can choose where I want to live. If I choose to live in a hollow, call me a hick or a hillbilly, but that's where I want to live."

Middle East

Men Chab-Corne Carco Damentes Jordenbern Larde Forage

## A Breath of Fresh Eire , mand Clin. For Illata-P For Ulster Businessmen

By Warren Hoge

BALLYNAHINCH, Northern Ireland - While Northern Ireland's politicians have been taking forced first steps to bring the two parts of the Irish island

long-disputed border.

Members of the predominantly Protestant commercial establishment have set aside the sectarian tensions that have arrested Ulster's development in other areas and boldly struck deals with their areas and boldly struck deals with their counterparts in the predominantly Ro-

man Catholic Republic of Ireland.
Once the jewel of the Emerald Isle,
Northern Ireland has seen its own for-

of the global economy sitting right down the road," said Sir George Quigley, chairman of Ulster Bank Ltd., "and it will benefit this part of the island to capitalize on the success of the other."

Business can do things that politics can't," said Claire Faulkner, 44, the managing director of Project Planning, a conference-organizing company that keeps its headquarters in this village of stone walls and leafy lanes south of Belfast, and a branch office in Dublin. Ms. Faulkner is the daughter of Brian Faulkner, a Protestant leader who a quarter-century ago served as prime minister of Northern Ireland. She and other figures in business and finance in the North are among the most

May 22. "The peace that hopefully we're getting will bring a great flour-ishing of our industry," Ms. Faulkner "Peace and prosperity are inextric-ably linked, and business has been

singing that song since the early days of the talks," said Adam Ingram, Britain's minister here for security and the econ-Cike almost everyone in Northern Ireland, the men and women who are cross-

and Protestants Bill Tosh, the chief executive of Unidare Plastics Ltd., in Portadown, lost two neighbors in a guerrilla bombing. The town, where the hard-line Protestant Orange Order was founded, is one of the

violent flashpoints of the province. Christopher Gibson, a dairy company director who is head of the Belfasi office of the British Confederation of Industry, was the first cousin of Sir Maurice Gibson, the Chief Lord Justice of Appeal in Northern Ireland, who was blown up with his wife in their car in April 1987 by the Irish Republican Army. Both men head businesses with activities and cus-

tomer bases in the South. Ms. Faulkner swung her arm panoramically across the broad windows of her conference room, taking in soft green hills spotted with clumps of bright yellow gourse and crested by rolling mists. "Peace would make all the difference in selling this place — look, it's fabulous — in a way we can't at the moment," she said.

She told of the time that she senl out brochures for an upcoming conference with a picture of Belfast's Europa Hotel on the cover on the same day that photos were appearing around the world of the hotel facade destroyed by a bomb. Be-cause of Northern Ireland's reputation, closer together, the province's business she makes sure that clients are met at the people have been virtually razing the airport, directed to cars and escorted to

Mr. Tosh said that outsiders were reluctant to establish long term deals with

Commenting on the phenomenon, Sir George said: "When bombs are going off, people are getting killed, and there's tunes lag and its land plunged into decades of conflict and bloodsbed while the once-derided South has grown into a self-confident European nation with the Continent's best performing economy.

'There is quite a considerable chunk that the self-confident European nation with the Continent's best performing economy.

'There is quite a considerable chunk that the self-confident European nation with the Continent's best performing economy.

When the IRA and Protestant paramilitary groups began cease-fires in 1994, residents of the North got a foretaste of what peace could mean to crossborder relations.

"Before that, nobody wanted to forme here." Mr. Gibson said. "There was a lot. of rbetoric about the North, but very few people would get on a train or drive their car up. Then with the cease-fires, they came and they looked around and said This is as nice as our part of the island and my goodness the people are

Tourism accounts for roughly 6 percent of the economies of most European countries, but only 2 percent here. It is finance in the North are among the most committed backers of the landmark settlement reached April 10 that is to be put to votes north and south of the border on the south of has Britain's highest rate of unemploy ment and faces growing numbers of jobless once reductions start in the bloated civil service and vast private and public security apparatus that has been necessary during the conflict.

Sir George said that cross-border business now topped \$2.5 billion a year and that an accord that broughl stability could double that. According to Mr. Ingram, trade across

the border has been growing at an annual ing the old battle lines in the name of rate of 10 percent over the last five commerce have been personally touched years by the confrontation between Catholics Sy Synergies, the mantra of global busi

ness, grow abundantly on this verdant island. A company in the South making Irish biscuits favored in the North was exporting them across the Irish Sea to England, then up to Scotland and back across the water to Belfast. It recently realized there was a more direct way.

#### ■ Clinton Rules Out Visit

President Bill Clinton has decided against visiting Ireland before the referendum this month on the Northern Ireland peace deal, Reuters reported Thursday from Washington. The White House spokesman, Michael McCurry. said Mr. Clinton was satisfied that there was "enormous public support" to approve the deal, but that he believed a visit before the vote could affect the political situation.

Mr. Clinton had considered going to Ireland and Northern Ireland after a sunmit of the Group of Seven industrialized countries plus Russia in Birmingham. England, from May 15 to 17.

## Seller of Tiny Key-Ring Pistol Dismisses Weapon's Deadliness

The Associated Press selling a tiny pistol resem- away as 20 meters. bling a key ring that can evade played down on Thursday for two years in two Bulgari-U.S. concerns that the an additional two Bulgariweapon is deadly.

Yordanka Nacheva, economic Sofia this year. director of Milex, the company that owns rights to the curity risk because it cannot be gun. She did not elaborate.

rounds. Experts have said it SOFIA - The company could be deadly from as far Miss Nacheva said that the

security devices weapon had been produced concerns that the an military plants and that it won a gold medal at an in-"Tests have proved that this ternational exhibition of de-weapon can't be lethal." said tense and security methods in

The weapon is seen a sedetected by some metal de-Although designed to fire tectors and X-ray machines gas cartidges to ward off at- and because key rings often are tackers, the S20 pistol can put in baskets that go around also fire two .32-caliber airport X-ray machines.



#### SAS Set to Resume Danish Service

Hanoi. Ho Chi Minh City and Seoul have been halved to two a week: the Hanoi-Taipei route was cut to three flights a week from five, and the 11 Hanoi-Hong Kong flights a week, operated with Cathay Pacific Airways, will be cut to nine. (Bloomberg) Egypt has approved plans for construction of a new

Turn here for

Don't miss it. A lot happens there.

COPENHAGEN (Bloomberg) - Scandinavian Airlines SAS Danmark said all traffic to European and overseas

destinations would be back to normal by Sunday. The Scandinavian airline canceled all its flights in and out of Copenhagen when the strike began.

Fans of the Rome succer team Lazio destroyed check-in counters at Charles De Gaulle Airport near Paris after their flights home Thursday were delayed.

THE INTERMARKET

## TRAVEL UPDATE

System said Thursday that flights would resume Friday in Denmark, as the general strike that has gripped the nation since Monday was to end at midnight.

Vietnam Airlines has dropped service to Manila and can-celed four domestic routes to save costs. Also, flights between

runway at the Cairo airport capable of handling the next generation of superjumbos being planned for the next century.

## WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.



North America
Cloudy and cool with rain in the Northeast Softway. London Satunday, but it Being Saturday, the may shower Most of Europe and cool through the period in Chicago and most of the opened and most of the period in cool day by and warm in cool day by and warm in may reach Spain Monday and seasonably to be Southwest Cool with cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton showers in the Northwest Cool with clouds and ton turkey.

One of the few predictable elements of travel. The Teading Hotels of the World

Over 300 of the World's finest hotels in 68 countries. Your Host Today

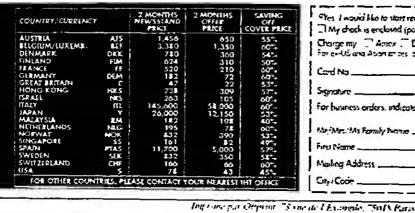
HOTEL MAJESTIC CANNES, FRANCE

3	<b>Airmaly</b>	23.73	P:48 &	2679	17: 2	
	P. ale	32/81	23/73 1	333	23.3	**
	Bangior	35:95		3473	Z	48-
G	Belong	27'80		17.63		┰.
·	Вотрау	3037		32/89	247 7	
100	Colcusta	36/97	2577 DC		7 7 7	
****	Chang!to	16/95		34/33		•
2.	Culanda	J: '88		31.25		:
	Manor	31-80		27.06	26.7	
120	My Chi Mirch	36 =7	26/73 00	78775		
	Hong Scro	28 62	2375 pc	775		•
	tedunates	33.83		34.93		
Heav,	Jakastu	32.93		74.15		١.
Heav,	V.arachi	37.38			27	•
	K Lumpur	32-80	24751			
	K Kirabalu	3391				
	Marria	33¢.	23 T3 DC	2.7		
decide de	Age Deth	41.10€				
ikely in	Phose Pent	3: 93		22-1		
nen dry	Phykut	35.25	36 79 DC	34.57	77:	
Japan	Rangeen	17.98	25.75	<b>1</b> 2.		•
OWEIS	Senui	22 71	1143 2	21/70		
el. the	Shanzhai	Z1.70	:355 =	-	1564.	
be dry	Sarganoro	32.69	2377	27 6	-27-1	
warm	Tage	36 BJ	22.71 pc		=	
south-	Torio	27.30	17421	T - 46	15-54 7	
	Years Large	3. 20	72 TT PT.	Töriri	ترت آه	•
163My	21					
likely in	North Ar	nenc	2			-
lo Ch	Anchorage	3-46	235	146	73.	•
	Artarda	2772	47 €2 pc		****	
	Brar.	6.5	12.53	1564		
ancs.	Chicago	17-E2	5-49 c	44	16.5	1
	Eallos .	7, 51	1" 12 pc	29	er.	•
	Cight-Ar	1664	643	164		
PF-COT1	Deficial	. 9 82	11 CC 58	.1	100	
	Homalule,	7	1966 🕾	2 -80	1364	
	Library Contracts	77.04	*C C # #	31 (6)	135.	

A two-month trial subscription.

Save up to 60%

Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off



Stes I would like to start receivers the Interroporal Heroid Tribuni My check is enclosed (payoble to the IMT) Orange my Amer Diners (\*\* VISA \*\*) Access MasterCard (\*\*) Europard for ex-US and Asian at this prediction is with the charged in French Francis at current intent for business orders, indicate your VAT No. [IM] VAI Number FR74732021126

got this copy of the IHT of Thursk Thatel Touling Total (1) do not wish to receive information from other carefully screenes can Mail or fax to International Herald Tribune Mail or fax to International Herald Tribune
EUROPE, MIDDLE EAST & AFRICA

181 Ava. Charles de Goulle, 92521 Neurly Cedex, France
Fan. +33 1 41 43 92 10 Tel +33 1 41 43 92 61
THE AMERICAS

850 Third Avenue New York, N Y-10022-6275 USA
Fax. +1 212 758 8785 Tel Holl free! 1-900-992-2884

7/f Malaysra Bidg. 50 Gloucater Rd. Vylandra: Heral Kong
Fox. +852 2922 [199 Tel +852 2922 [177] hstilit.com - Asia; subshidtilithk.com - Ini Offer valid for new subscribers only



Starr geogr PO STREET actions of the second of the s

Marie Hause press Age to decide At a newy one Mr. Climen said h la ke Brinen I consel sent ports of the relies

4 (-T

SNITTE .

ie siego

Ceraldine Form Could deliver -- INTION-THE SEED THE " Howoled public w The New York C Mark Gram a busine The Name Has the Democra D'Armeir, Est al an and Final Repres Sumer, de veter

Branch who kind many raise riting ing time legi think there is a the Summe for legists Was Mr. D' Amurio of this New Yorkship. or in his Manhanah the boll 1 capit at any a The later rest, harryne or a the nukey him and the second or the second o

" Figure and on to The object of the an Erick Saper, at

distribution of the second -42 CENTRA M. Carego **49** ≳ -<sub>⊊,6</sub> # Foor

A CASSO A Trees -----M Adver \* t & D 3:44 - · \*\*\*\* 55 \$ 5 me many

Marine Mays. Service. DOWN \* \*\*\* Ser STAR A CHANG 27 . CB150

AL PERSON × V VET ind Puber. No. of Parties ACTION A

Surgice of de la company Contain the Sin  $\mathfrak{g}_{\xi_{(37)_2}(\underline{\mu}_{7)_1}}$ AL THE SERVICE OF THE 10 387/55 Faet

wd

on hed usb-

1. 7ith

ais-uth

ans

on-

of self

17-

day

лtо

-ಬ್

ıeir

uily and aki,

self

Γhe

the

the

**R**5

ute

ing ind

the

'ies

an

om

ral

## Starr and Clinton Camps Settle Down for Trench Warfare



Betty Currie, a Clinton secretary, arriving at a federal court Thursday.

## From Clinton's Defenders, A New Strike at Prosecutor

By John M. Broder New York Times Service

WASHINGTON - Lawyers for the president and two senior White House aides have filed a sealed motion asking Judge Norma Holloway Johnson of the U.S. District Court to hold independent counsel Kenneth Starr in contempt of court for violating grand jury secrecy rules with "flagrant leaks" to the news

Mr. Starr was informed of the complains, the second of its kind this year, in a letter Wednesday by President Bill Clinton's lead private lawyer, David

Mr. Kendall wrote that news reports Tuesday and Wednesday regarding Judge Johnson's ruling on the president's executive privilege claim 'plainly originated from your office."

Judge Johnson ruled Monday that the president could not use executive privilege to prevent questioning of his ports of the ruling, he sald.

closest aides, according to officials and lawyers involved in the inquiry. The ruling was widely reported Wednes-

Mr. Starr proclaimed the judge's ruling "magnificent" in response to a telesion reporter's question Wednesday. Mr. Kendall and White House aides immediately seized on the comment as a violation of the stricture against any comment on grand jury matters.

These matters are under seal and Starr's violation of that seal is improper at best," said Joseph Lockhart, deputy White House press secretary. "It's up to the judge to decide at worst.

At a news conference Wednesday. Mr. Clinton said he could not comment on the ruling hecause it is under seal. Jackie Bennett Jr., a deputy independ-

ent counsel, said the office "categorically denies Kendall's accusations. 'This appears to be another effort by

erally insured savings and loan asso-By Doyle McManus, Jack Nelson

and David Willman Los Angeles Times Service

WASHINGTON - After four years of investigations that scoured President Bill Clinton's home state of Arkansas. Kenneth Starr's grand jury in Little Rock went out of business this week without indicting the president or Hil-lary Rodham Clinton on any charges stemming from their long-ago Whitewater land deals.

But that quiet end came as little com-fort to the Clintons and their defenders, for Mr. Starr, the independent counsel, had long since moved his main base ro Washington and shifted his focus, in the classic pattern of contemporary U.S. political scandals, from allegations of

crime to charges of cover-up. Both sides bave settled in for a long struggle, one that may last until Mr. Clinton's presidency ends in 2001, or

even longer. 'There will be no end" until Mr. Clinton leaves office," predicted Har-old Ickes, a close Clinton adviser. "This is World War I trench warfare. Every-

body's hunkered down."
Mr. Ickes added, "The White House has resigned itself to the view that this is

probably unending."

Mr. Starr has brought lawyers and detectives to Washington to aid in his inquiry of whether Mr. Clinton or his aides obstructed justice by attempting to

conceal a variety of alleged misdeeds. His immediate goal now is to answer this question: Did Mr. Clinton encourage Monica Lewinsky, a former White House intern, to lie under oath when she

was asked whether they had a sexual relationship? Mr. Starr's case now depends largely on whether he can persuade two women to testify against the president they served: Ms. Lewinsky, who is seeking immunity from prosecution, and Mr.

Clinton's private secretary, Betty Currie, who appeared before the grand jury Wednesday and Thursday. The dogged prosecutor must also lahor against a tide of public indiffer-ence toward presidential dalliances and growing hostility toward his own grim

Mr. Starr's staff of 20 lawyers, plus dozens of FBI and Internal Revenue Service agents who assist him on temporary assignments, also is still considering whether the White House acted mproperly in collecting hundreds of FBI files on political figures or in dismissing officials in the White House

travel office in 1993. It is a long way from the original question that prompted the Whitewater investigation in 1994: Did the Clintons, long before they occupied the White House, knowingly take part in a scheme to obtain fraudulent loans from a fed-

Investigation in Arkansas Fades Away, \$40 Million Later

The quiet end of Mr. Starr's Arkansas grand jury was an implicit acknowldgment that the long investigation of Whitewater Development Corp. and Madison Guaranty Savings & Loan did not turn up any evidence that justified immediate criminal action against the president or his wife.

The inquiry did lead to the convictions of 14 Arkansans on fraud, conspiracy or bribery charges, including the former Clinton business partners James and Susan McDougal, and, ironically, a Clinton adversary, former Governor Jim Guy Tucker.

Rahm Emanuel, a White House aide. said he would like the lesson to read this way: After four years and \$40 million, there was no indictment of the first lady or the president. It has all come to

But Mr. Emanuel and other Clinton defenders acknowledged that their camp could not breathe easy. The president still faces the potentially embar-rassing Lewinsky matter. Mrs. Clinton is still under scrutiny on whether she testified truthfully about her legal work ou an Arkansas land deal separate from Whitewater and about law firm billing records that mysteriously disappeared, only to resurface in the White House residence quarters.

Lawyers said that despite the expiration of the Arkansas grand jury, Mr. Starr can still use the evidence it gathered, either by presenting it to the grand jury in Washington or convening

a new grand jury in Little Rock. Mr. Starr's investigation can damage the president further, even if it produces no more criminal indictments. The independent counsel is required by law to report to Congress if he finds credible evidence that might prompt a presi-dent's impeachment. He is also required to write a final report of his findings, and is free to issue an interim report whenever he likes.

So, the White House has spent considerable time and energy seeking to delegitimize Mr. Starr as a politically motivated ideologue and a mercenary superlawver.

"He's paid \$100,000 hy the taxpayers, hut he also gets to collect \$1 million plus from Big Tobacco and his other private clients," said Paul Begala, a White House aide and one of Mr. Clinton's most enthusiastic defenders. Why would he ever quit?

The attacks have had some effect: Public esteem for Mr. Starr, as measured in polls, has sunk precipitously; and Republican members of Congress who once professed to hope for an early report from the prosecutor have fallen conspicuously silent.

But in recent weeks, Mr. Starr has reacted to White House attacks with an

unusual series of public statements of his own, insisting that he is merely following the law's dictates. And, for the first time, he has hired a full-time

Reagan aide. Meanwhile, Mr. Clinion's private lawyer. David Kendall, accused Mr. Starr on Wednesday of leaking sealed information to the media and has asked

press spokesman, Charles Bakaly 3d, a

Los Angeles lawyer and former Ronald

مكذا من الاصل

the court to cite the prosecutor for con-Mr. Kendall said Mr. Starr's office had revealed a judge's sealed ruling rejecting Mr. Clinton's use of executive privilege to allow two presidential aides

to refuse to answer questions.

Mr. Bakaly denied the accusation as categorically false."

The dispute about executive privilege could still slow Mr. Starr's investigation for months or even years, lawyers said. In sealed motions, the White House

reportedly has argued that officials cannot he compelled to testify about some of their conversations with either the president or Mrs. Clinton.

U.S. District Court Judge Norma Holloway Johnson, who is overseeing the Washington grand jury, ruled that the aides could not invoke executive privilege, a doctrine that protects official presidential husiness from judicial

scrutiny.
The White House has not said whether it will appeal the ruling to higher courts. But presidential aides described the claim of executive privilege as a matter of deep principle, which seemed to imply that an appeal was probable.

The impasse over executive privilege is significant because it is slowing Mr. Start's attempt to amass evidence about a possible White House-directed effort to silence Ms. Lewinsky.

The independent counsel bas been trying to persuade Ms. Lewinsky to testify about such an effort. Some lawvers have suggested that he might even indict the 24-year-old former intern and threaten her with prison if she continues

Under those circumstances, members of Mr. Clinton's camp expect Ms. Lewinsky to testify, sooner or later — with results that could be damaging to the Despite that prospect, Clinton aides

insist that they are not deliberately waging a strategy of slowing Mr. Starr's

"It is in the president's interest to get this resolved," Mr. Begala said. "Justice delayed is justice denied." Still, they say, they are operating un-der the premise that Mr. Starr will be part of their landscape for the rest of the Clinton presidency — and perhaps even later. Independent counsels are not re-

quired to stop when their targets leave

## POLITICAL NOTES

#### Republicans Gain In Primary Voting

WASHINGTON — In the ground war to control the House, Republicans advanced a step this week, modestly strengthening their chances of retaking an Ohio congressional seat that neither party has held longer than one term in the

And in Indiana. Republican primary voters picked a wild-card candidate on Tuesday to run against Representative Julia Carson, a poientially vulnerable Democrat in an Indianapolis district. Her challenger will be Gary Hoffmeister, a wealthy jeweler with no election experience, who ran what Democrats concede was a lough, wellorganized primary campaign that mobilized the Christian right and social conservatives.

With the Republicans holding an 11-seat House majority - the smallest in history — every inch gained or lost before Election Day. Nov. 3. counts.

Republicans in southeast Ohio succeeded in fending off the conneback bid of Frank Čremeans, a former representative who was considered so likely to lose in November that most of the state Republican establishment endorsed his opponent in the primary, Lieu-

tenani Governor Nancy Hollister She is viewed as the strongest candidate to take on Representative Ted Strickland, a Democrat who was first elected in 1992 with 51 percent of the voie, lost in 1994 to Mr. Cremeans with 49 percent and reclaimed the seat in 1996 with 51 percent.

In the Indiana Republican primary for the Senate, Paul Helmke, the mayor of Fort Wayne, defeated John Price, a social con-servative, by 7.624 votes. (WP)

#### Affirmative Action Passes House Test

WASHINGTON - The House has defeated an amendment that would have harred public colleges and universities from using affirmative action in their admissions policies if they receive federal

The 249-to-171 vote Wednesday marked the second time in five weeks that the House stopped short of repealing policies aimed at-boosting minority representation.

Although Republican leaders expressed support for the proposal, 55 Republicans joined with 193 Democrats to defeat the plan.

Lawmakers debated whether the rime for affirmative action was over as they considered the amendment to a hill about lower student loan interest rates and expanded federal grant programs.

#### Quote/Unquote

Robert Doman, a Republican who lost his seat in the House of Representatives in 1996 in what he called "the worst illegal voter fraud in this century," saying that he was looking past the Republican primary June 2 and toward a race against Representative Loretta Sanchez: "I've got the money in the mailbox to let the people know.
I'm baaaaaack.''
(AP)

## New York Democrats Flailing as They Seek to Unseat D'Amato

By Blaine Harden Washington Post Service

NEW YORK — The three Democrats who covet Senator Alfonse D'Amato's ioh came to a midtown husiness breakfast here this week to strut their credentials. They had hardly begun to preen when each was slapped with a deflating question: What makes you think you can bring home the bacon like Big Al?

As one questioner put it, "The people in this audience helieve no one has delivered the way Al D'Amato has. The contenders tried their best to den-

igrate the New York politician who answers to the name "Senator Pothole." Bashing the incumbent, after all, is their essential task in what may well prove to be the most expensive and bruising of the Senate races this year. But, as the campaign begins to take shape, it is a task that is not getting easier. For Mr. D'Amaio, after a midterm

swoon in his approval ratings, is gaining momentum in the polls, is campaigning with his usual maniacal energy and has as much cash on hand - \$10.6 million as the three Democrats combined.

So how did the Democrats disrespect the Republican over hreakfast?

ACROSS

5 Tortoise shell, II

1 Wine holders

15 Acreage

17 Cut flower

18 Clerical

19 Genius

16 Remote place

21 Word processor

22 Nasty rumor

23 5-Across, 8.g.

and former vice presidential nominee. said that while Mr. D'Amato could do only short-term constituent services. she could deliver long-term systemic solutions to such fundamental social ills as troubled public schools.

The New York City public advocate Mark Green, a tart-tongued debater who polls show has the strongest appeal among city Democrats, said that, like Mr. D'Amato, he is a can-do kind of guy. Finally, Representative Charles

Schumer, the veteran lawmaker from Brooklyn who leads his Democratic rivals in money raised hut trails in the polls, scolded Mr. D'Amato for never writing big-time legislation.

I think there is a desperate need in the Senate for legislators." he said. Was Mr. D'Amato worried ahout any of this? Not a chance. At that moment he was in his Manhanan office doing what he does best: hammering away on an issue that makes him look like a champion of downtrodden New Yorkers and making sure that he gets the credit in the

newspapers and on television.
The object of Mr. D'Amaio's efforis was Estelle Sapir, whose father died in the Holocaust. Crowning his crusade to

Geraldine Ferraro, the front runner force Swiss hanks to return assets deposited by Jews fleeing Nazi Germany, the senator announced that the giant Swiss hank Credit Suisse had caved in. agreeing to pay Miss Sapir an undisclosed settlement for savings her father had deposited during World War II.

Nobody should have to wait 55

years for justice," the senator thundered while posing for pictures with Miss Sa-pir. A grateful Miss Sapir looked at the bearning Mr. D'Amato and said, "The American people don't appreciate what they have in you. Maybe so. But compared with what

they thought of him two years ago (when his unfavorable ratings pushed 60 percent). New Yorkers, at least, are warming up to their junior senator. Be-side the Swiss bank issue, Mr. D'Amato has won positive coverage for fighting for insurance benefits for women with breast cancer and for packing a transportation hill with money for New York. Voters seem to bave put aside what many viewed as bullying behavior by Mr. D'Amato when he was chairman of Senate committee investigating Whitewater.

More solid than shifting poll numbers is Mr. D'Amato's position as a New

York power broker who funnels national party money to state and local candidates. He has led his party this decade as it has triumphed over the 3-to-2 edge Democrats hold over Republicans among registered voters. The senator commands a political machine that controls the govemor's office, four of the state's higgest cities (including New York) and 56 of the 62 county governments.

All this, however, does not mean that he is no longer vulnerable. His unfavorable ratings still hover around 50

percent, which means, according to the Republican political consultant Joseph Mercurio, that he "is still definitely swimming upstream." Ms. Ferraro remains the odds-on fa-

vorite to win the Democratic nomination. But her early lead in the polls has faded. which could open up an expensive and bitterly contested Democrane primary, precisely what Mr. D'Amato wants.

"The race is still in play," Mr. Mercurio said, "but it is certainly moving in the right direction for D'Amato.'

## Gingrich Bends an Ear to Corn Growers

WASHINGTON - Wary of angering Midwestern corn growers in an election year, the House speaker, Representative Newt Gingrich, Republican of Georgia, bas squelched a drive by the chairman of the Ways and Means Committee, Representative Bill Archer, Republican of Texas, to eliminate a \$600million-a-year subsidy on the produc-tion of ethanol-based fuel.

The move was an extraordinary rehuke to a powerful chairman and loyal ally as well as a reversal of a recent decision by the House to allow the subsidy to expire in two years. Mr. Gingrich sided Wednesday with

the Senate and farm-state interests in continuing the tax break for the gasoline additive well into the next century.

The controversial but resilient proram — a relic of the international oil crisis of the late 1970s - has been touted by its farm-state champions as crucial to reducing U.S. dependence on foreign oil and stimulating the farm economy. But Mr. Archer and scores of House critics have attacked the subsidy -- which has cost the Treasury more than \$7 hillion over the last 16 years - as the "poster child" for corporate welfare. Ethanol has been a financial boon to

corn farmers, the Archer Daniels Midland food conglomerate that produces half of it and the companies that produce gasobol, which competes with gasoline in the Midwest. A General Accounting Office study

last year concluded that ethanol has done little to reduce the flow of oil

imports or diminish air pollution. The House at the behest of Mr. Archer and the Ways and Means Committee voted last month to phase out the subsidy as part of its version of the highway and mass transit reauthorization hill. Mr. Archer, one of the most influ-

fight as a member of the House-Senate conference committee that is negotiating a compromise highway hill. While seniority dictated that Mr. Archer participate in the conference, Mr. Gingricb put off appointing him for nearlytwo weeks. On Wednesday, the speaker said he was willing to allow Mr. Archerhis seat - but would stack the con-

ference with two other pro-ethanol mem-

bers who would side with the Senate.

ential politicians from a major oil pro-

ducing state, had planned to carry on his

## **Away From Politics**

• Att estimated 582,000 people moved to California last year, the second straight annual increase in the most populous state after a five-year decline. As of January, there are 33,252,000 California residents, the state Department of Finance said. Los Angeles remains the state's largest county, with 9.6 million residents.

 American drivers say in a poll that they favor installing cameras at intersections to take pictures of those who fail to stop. Pollster Lou Harris conducted the survey for Advocates for Highway and Auto Safety, an alliance of consumer, health, safety and insurance groups. By a margin of 65 percent to 30 percent, those polled said they favored use of cameras that snap pictures of red-light-running motorists.

• The daughter of a hillionaire arms dealer says she acted in self-defense when she shot a professional polo player at ber \$2.3 million estate near Warrenton, Virginia. But he was eating breakfast when he died and was not threatening her, a prosecutor said as the trial of Susan Cummings opened. Ms. Cummings is accused of shooting Roberto Villegas, her former lover, four times at close range on Sept. 7.

A hospital in Gallup, New Mexico, closed a wing after mouse droppings were found in a ventilation duct, prompting fears they might carry a virus that has killed several people in the Southwest in recent years. Workers were trying to trap the



CROSSWORD

26 Some bits 27 Like the 39 Eccentric 40 informer Snowmar 41 Rigt remedy 28 Sale paint Solution to Puzzle of May 7

44 Base action 29 What rhabdomantists do 45 Not tricked by 30 Sports org. to 46 Humdrum which the 48 Binge Kansas City Wizards belong sa Senta's suctor in

34 Supermarke 35 Winter air university 36 Triage sites, briefly 55 Some clerks ss "The Odd 37 Ham operator's Couple' directo DOWN

1 Still-life z Of joints 3 Archie and

candy

4 Links legend s They're given the shaft? 6 Like Humpty Dumpty a Treasury Department div. 9 Lixivium 10 Series finale? 11 Like chiming timing 12 Noctume

centerpiece

12 Opponent of Lee 14 Computer -20 Floozy 23 Looked after 24 Ophidian sound 25 Afore 25 Long 27 Grinde 29 Jobs for body shops

30 Authorized 31 "The Europeans" star 32 Send rolling in the aisles 34 First name in 35 Teetolalers 37 License plate 38 Musterd femily

39 "Agnes Grey" 46 Drive recklessly 41 Roman wraps 43 Bikini, e.g. 44 Long campaign

46 Ore carrier 47 Scratches (out)

49 Cries of surprise \$1 Supportive

FOR INVESTMENT INFORMATION Read THE MONEY REPORT every Saturday in the IHT.

ONew York Times/Edited by Will Short:

erman

pset the

cutor :

5 C

## But U.S. Still Has Hopes For Washington Summit

IERUSALEM — Prime Minister Benjamin Netanyahu is unlikely to attend a White House meeting on Monday with the Palestinian leader, Yasser Arafat, a Netanyahu adviser said Thursday.

The adviser, David Bar-Ilan, said it
was "very unlikely" that Mr. Netanyahu would be going to Washington on

The United States, however, said Thursday that it remained hopeful that

Mr. Netanyahu would be at the Washington meeting.
"We remain hopeful," said a State
Department spokesman, James Foley.
"We believe the Israeli mind is still

open, certainly. I don't believe we have heard the final word on that." Mr. Netanyahu said on a CNN forum he did not yet know whether he would go

to Washington for the meeting.

Mr. Bar-Ilan spoke as the U.S. envoy to the Middle East, Dennis Ross, made his way to Israel late Thursday in hopes of coaxing Mr. Netanyahu into a break-

through peace deal with the Palestin-

Mr. Arafat warned that a failure to break the protracted deadlock in the peace process would lead to instability in the region. Asked about the prospects of violence should peace talks fail, Mr. Ara-fat said in Gaza: "No doubt, complete confusion in the whole area. Not only in

Palestine but the whole region. Palestine but the whole region."

The Palestinians insist they will only go to the talks if an agreement on the U.S. proposals for West Bank troop withdrawals by Israel is ready to sign. "We have accepted the U.S. invitation to come to Washington," said Nabil Abu Rudeina, a top Arafat aide. "But we are going in order to sign an agreement." are going in order to sign an agreement.

not for more negotiations. A U.S. official said Mr. Ross would arrive in Israel on Friday afternoon and would probably meet with Mr. Netan-

The spokesman for Secretary of State Madeleine Albright, James Ruhin, said in London that she "hopes these final days' discussions can make it possible for a meeting to occur in Washington next Monday based on acceptance of the American ideas that were discussed with Prime Minister Netanyahu and Chairman Arafat in London." .

Asked what would happen if Mr. Netanyaho rejected the invitation, Mr. Ruhin said: "We will re-examine the situation at that point."

Washington expects Israel to hand over I3 percent more of the West Bank, to resigo will be my decision alone." to Palestinian rule as part of a package to settlements and Palestinian

anyahu, under conflicting pressure from all sides — Washington, hard-liners in his cahinet, Palestinians and Israel's opposition - wanted more time to iron out

details before going to a summit.
"We are optimistic about the possibility that the gaps will be bridged although it is difficult to imagine that in the very short time between now and Monday we will be able to achieve concrete results," Mr. Bar-Ilan said.

Mr. Netanyahu's cahinet colleagues have so far agreed to hand over only 9 percent of the West Bank land. They say security concerns prevent Israel from transferring any more land until a final peace deal is reached.

Mr. Netanyahu said Thursday that he was not yet ready to take the U.S. proposals to his cahinet for approval. "You can only persuade when you are convinced," he said when asked if he was accept the U.S. proposal.

Continued from Page I

ing, President Bill Clinton was to speak

late Thursday to a national Arab-Amer-

ican conference, possibly the first such

appearance by a sitting president.

The administration has proposed that

Israel withdraw from 13.1 percent of the

occupied West Bank as a condition for

opening the peace talks in Washington

speaker of the House, objected strenu-

ministration and Arafat against Israel."

Newt Gingrich, the Republican

'Now it's become the Clintoo ad-

'Israel must be able to decide her own

security needs," he said in a letter to Mr.

Clinton, "and set her own conditions for

negotiations without facing coercion

Another letter to Mr. Clinton that was

signed by more than half the House's

435 members said that to present Amer-

ican requirements publicly "can only

undermine Israel's confidence" in the

Mr. Clinton denied that he was pres-

suring Israel unfairly, saying that his goal was the same as Mr. Netanyahu's:

to expedite movement toward final-

"There is no way in the world that I

could impose an agreement on them or

dictate their security to them, even if I

wished to do that, which I don't," he

Administration spokesmen at several

levels sought Thursday 10 cast the first

lady's comments as purely personal.
'She responds in a human, personal

way when people express frustration,"

said the president's spokesman, Michael McCurry. "At the same ome the pres-

after sessions in London this week.

ously to the U.S. condition.

he said Wednesday.

from the U.S.

peace process.

(Reuters, AFP, AP)

ISRAEL: Mrs. Clinton Sparks a Storm



Mariam Abadin, a 60-year-old Palestinian, expressing her anger Thursday that Israeli border guards were protecting Jewish settlers who occupied her house Wednesday in the Muslim quarter of Jerusalem's Old City. The settlers moved into the house after a Jewish seminarian was stabbed and killed while walking nearby.

## Washington Cr. peployment in Riots in Medan Subside. begrade Is Radicalizing Lo

## Indonesian City's Shops Remain Shuttered

By Cindy Shiner Washington Post Service

MEDAN, Indooesia - Calm returned Thursday to Indonesia's third largest city after three days of looting and rioting provoked by price increases for fuel, transportation and electricity.

Metal shotters were drawn across the doors of most businesses. Rioters damaged more than 100 shops throughout anto, who is also chief of the armed forces, the city this week, breaking windows said no one had died in the rioting. and carrying away goods.

The words pribumi — naove Indone-

sian - and Muslim were scrawled on the front of several stores. Most of the businesses targeted belong to ethnic Chinese, many of whom are Christian. Although Chinese make up only about 3 percent of the population in Indonesia, they are often targeted during times of political and economic turmoil because they control a mainting of the president surmoil and economic turmoil because they control a mainting of the president surmoil and the president trol a majority of the retail economy.

Many Chinese have checked into ho-

tels in the city or boarded planes ont of town. A flight of their capital could further damage Indonesia's economy. which is already wracked by a decline of more than 70 percent in the value of currency, mass unemployment,

stalled trade and bankrupt businesses The violence "is not against the people, but their things," said Efendi Panjaitan, who works with a nongovernmental organization in Medan.

WASHINGTON - The Control od

WPact Clears

Is First Barrier

point the charter of the charter of

changes per

from polis it

O percen

Balling roter ar derroted.

thinged lotes End of Strike

fe Danie Partierent aus printed as

personal regions and the second secon

Manager and the control of the contr

Manuferica test and among the

**始地をごごここととしませ** 

Barren TV

Telephone the n

h Danish Fote

Local reports said six people died in the unrest, including two who were shot by security forces and four who burned to death when their businesses were set on fire. But Defense Minister General Wir-

Hospital administrators said they had been barred from talking to reporters.

Local human rights workers said they had no reports of deaths, but said more than 400 people had been detained by security forces since April 23. Nearly 50 were still in detention, they said. Many of those arrested were students.

who have been staging demonstrations here for the past two weeks. The protests have often turned violent as security forces tried to prevent them from taking demonstrations off campus and into the streets. Two universities were closed in Medan as a result Rioting broke out in Medan on Monday night after the gov-ernment announced that it was raising prices on fuel, transportation and elec-tricity as part of a measure to lift subsidies to comply with the terms of a bailout by

the International Monetary Fund.
Student demonstrations, however, have been held in cities across the comtry for more than two months, and there are increasing calls for President Suharto to step down.
General Wiranto told reporters in the

capital, Jakarta, that the military sup-ported reform but that the "moral action" of students should be directed toward more productive activities. He also called for "stern action" to deal with the rioting, which has spread to other communities near Medan.

The violence has had a profound im-pact on regional markets, despite positive signs that the government is fol-lowing through with economic reforms

as part of its agreement with the IMF.

The dollar rose to 10,000 rupiah on
Thursday. It was the local currency's lowest level in two months. The dollar
dropped back to 9,500 rupiah at the close

#### Weakened, Kohl Says: 'Visionaries Are the Realists' campaigner re-emerged with a smile. You've got used to seeing me and also sounded as if he did not expect to peoples remain," Mr. Kohl mused in a see him at the next summit meeting monologue on French-German friend-

his last French-German summit meeting, looked beyond petry Paris-Bonn wrangling Thursday to remind his hosts that "visionaries are the true realists in

In a monologue sounding like a farewell address, the chancellor held forth on European unity while President Jacques Chirac, his adversary in a battle over the European Central Bank last weekend, sat listening with a

Mr. Chirac's praise for Mr. Kohl, who he said had "profoundly marked the history of European integration,"

Continued from Page 1

by presenting a joint proposal on EU

decision-making at the Union's summit meeting in England next month. Seeking to defend his credibility, Mr.

not have accepted the bank presidency if

France's conditions for a specific de-

parture date had been accepted. He said he

emphasized, "The timing of the decision

did not intend to serve the full term, but he

AVIGNON, France — Chancellor see him at the next summit meeting Helmut Kohl, attending what could be later this year.

Mr. Kohl, looking worn out after 16 years in office, trails far behind his Social Democratic challenger, Gerhard Schroeder, in the opinion polls before Germany's general election in Septem-

The bank dispute, brought to a head because Mr. Chirac insisted its new president, Wirn Duisenberg, make way in 2002 for the governor of the French central bank, Jean-Claude Trichet, may have been the final nail in the coffin for his re-election hopes, German commentators say.

EUROPE: Duisenberg Derides 'Slightly Absurd' Deal for Bank

ship at a news conference ending the He said that anyone who, like him-

self, had promoted conperation between the former enemies over the past half-century knew it had been a long and difficult path toward greater But it has opened up a horizon for

the future that seemed impossible back then," he went on. "It is good to recall in moments like this that visionaries were always the true realists in his-

Asked afterward if this was his last Governments come and go, but the summit meeting, the never-say-die

you're seeing new faces on your television screens," Mr. Kohl said, referring to the younger and more tele-genic Mr. Schroeder. "I advise you to get even more used to seeing my face. I will come again. Although he was sitting next to Mr. Chirac, Mr. Kohl's monologue sounded more like the philosophical discus-

sions he used to hold with the former French president, Francois Mitterrand. Mr. Mitterrand shared the chancel-

lor's pro-European vision and played the game of mutual give and take far more subtly than the impulsive and more nationalist Mr. Chirac.

## INDONESIA: Support for Students

Continued from Page 1

turies. We need a moral reform, too." Their movement may lack clearly discernible leaders, but in the two months since the protests began, the students have surprised the skeptics with the so-phistication of their demands, their staying power, and their ability to elicit sympathy from faculty and the broader Indonesian population disillusioned by the country's economic collapse.

What is less certain at this stage is whether this campus-based protest movement represents the beginnings of a broad "People Power" movement of the type that toppled the longuine dictator Ferdinand Marcos of the Philippines and that ultimately may bring down President Suharto and his 32-year-old New Order regime. New Order refers to the governing system, which views economic development as the nation's priority

that's not the same as any other period in the New Order," the diplomat added. One thing that is clear is that the students enjoy widespread sympathy from the general public, even if few here so far

ask them to do something about it, and they will say. 'Let me think about it.'

an carthquake that will jar loose some alliances, some loyalties," he added. achieved almost by the force of public opinion, if it is joined by market forces.

Mr. Wimar said. "There is a confinence between what the students don't like and

For the moment, many seem to share the view of a 39-year-old bus driver named Darsalam, who is upset over the 70 percent increase in fuel prices this week

but not willing to take to the speets in protest. "We already have our representatives — the students across the street he said, pointing to the nearby Trisakti

University across an expansive highway Raswan Survana, a leader of an unregistered labor union known by the Indonesian acronym SBSI, had this to 525. We agree with what the students are demonstrating for, and we will support them from behind." He said "only a few people are brave enough" to demonstrate, adding that 'many ordinary people can be very frightened by the news

of kidnappings and torture of students. The students at this stage seem undeterred by the reluctance of others to protest with them. In fact, many of them say they do not want outsiders joining in - even as they voice the concerns of Indonesia's poor and dispossessed because, they say, they do not want their movement "soiled," either by the possibility of violence, or being taken over

ical student from the University of Indonesia. "Once you get other factions coming in be they liberals or socialists of whatever, that's when it gets chaotic.

'If things don't change," the medical student added, 'it could become another People Power, because there's a lot of hardship now. But that's when things could really get chaotic."

Pakistani expertise and then reported the matter to the world's ouclear watchdog organization.

A spokesman for Iraq's culture

and information minister said the hy a Gre mediary, who asked Iraq if it would like an introduction to a Pakistani scientist who could help it huild a nuclear bomh. The spokesman said Iraq rejected

the overture as "an intelligence trick" and informed the Internadonal Atomic Energy Agency of the

The Vienna-based agency said it was investigating an internal traci

note implying that Pakistan may have offered to help Baghdad huild a nuclear bomh. "The implication is clear," ar agency spokesman, David Kyd,

Mr. Kyd added that Pakistan has said there was nothing 10 the al-

#### In Khartoum, Deal Gets Chilly Review

rebels at peace talks in Kenya won a less-than-enthusiastic reception in Khartourn on Thursday. After two days of talks that ended in Nairohi on Wednesday, the Islamic government and rebels of the Sudan People's Liberation Army agreed to an internationally supervised vote on self-determination for the south. But they disagreed on the region's boundaries and the issue of religion and state.

Parliament, said it was a waste of time for the government to talk to the rebels, who are led by Colonel John Garang. Foreign Minister Mustafa Osman Ismail of Sudan said in Naurohi that the government was committed to a referendum on self-determination in southern Su-

## Torrential Rains Cripple Paraguay

United Nations said Thursday. The most critical situation is in

Pılar, a town of 25,000 in Neemhucu Province, where the Parana River is running eight meters (26.4 Office for the Coordination of Humanitarian Affairs said.

blamed for unleashing the worst storms of the century across Latin America in recent months.

and restricts many political freedoms. "We're in a new phase in Indonesian politics," a Western diplomat said. "It's clear that the legitimacy of the regime is under challenge."
"It's the first phase of a simulion

seem willing to join their protests. "Ask anyone off-the-record, and the will tell you where their hearts lay," said Wimar Witoelar, a husinessman, government critic, and former campus activist from Bandung in the 1960s. "But

The student movement will be like "I believe that change can be

what the markets don't like."

by those with a distinct political agenda-"We're really just trying to restrict it to the students," said a 20-year-old mod-

#### The appointment has touched off a pror in Germany and elsewhere because tough issues as borders, Jerusalem, Jew- the Maastricht Treaty on European Union states that the bank president must COSMOS: Boom! Quite a Long Time Back serve an eight-year term, precisely to Israeli poliocal sources said Mr. Net- safeguard the bank's independence. Mr. Duisenberg was appointed for a single point, known as a singularity.

eight years, but on the understanding he remains only until 2002, when the notes and coins for the euro are introduced. In theory, at least, Mr. Duisenberg could legally renege on his gentleman's agree-

ment and remain in office until 2006. On the other hand, he indicated he might not accept the job at all if the European Parliament voted against him at a plenary session next week. The Parliament cannot undo the decision hy the heads of state and governments last weekend. But a senior Parliament official said there was a lot of "discontent and disquict" among lawmakers, which could lead to censure of governments for the way the decision was taken.

■ Tietmeyer Calls for Cooperation

European central banks need to increase cooperation on interest-rate ready to urge his coalition partners to policy before a single currency is cre-

ident is very precise in the way in which

he addresses issues that are fundamen-tally important to the Middle East peace

Palestinian officials embraced Mrs.

Ahmed Abdel Rahman, an aide to the

Palestinian leader Yasser Arafat, de-

scribed it as "a sign of the growing

understanding by the American people

of the Palestinian cause despite Israeli

hoped her stance "becomes an official

The president's appearance before the Arah American Institute on Thursday

night was planned long ago. A White House spokesman said that Mr. Clinton would make "an outreach speech."

James Zogby, president of the insti-

tute, said the appearance was a first

because Presideot George Bush had met

with a local but not a national Arab-

He said that Mr. Clinton's presence

"The message is, we're part of Amer-

carried a ringing message of acceptance

inflexibility of the Netanyahu govern-ment. Mr. Clinton, nonetheless, main-

tains strong support among many Amer-

ican Jews, who are divided over Mr.

sees Clinton as among Israel's best

friends and it would take a lot to change

The American Jewish community

breaking no foreign policy ground.

American group.

of Arab-Americans.

community

Netanyahu.

policy of the American administracion."

He told Agence France-Presse that he

Clinion's statement.

term rates does not have to start im-mediately, the Bundesbank president, Hans Tietmeyer, said Thursday, the International Monetary Fund's chief Bloomberg News reported from Rome. There will presumably also be a

further convergence of central bank Duisenberg said in Brussels that he would rates," Mr. Tietmeyer said in a speech at of the euro and the creation of the hank the spring meeting of the Institute of International Finance. "However, such convergeoce need not take place at the very beginning of the interim period." ■ IMF Appeals for Openness

ported from Vienna..
Michael Massa said the introduction

ensured a single monetary policy but that the bank still occded to decide on the balance of its monetary targets. There oeeds to be a complete ex-

planation of what that policy is by an accountable central bank," Mr. Mussa The European Central Bank must be said at a conference on economic policy

stelladon Ursa Major, the Big Bear. Observing teams from Caltech, Columbia University and other insotutions discussed the discovery at a news conference at NASA headquarters Wednesday and in three papers published

The origins of the Big Bang lie beyond the realm of known physics, but scientists say they have hopes of collecting enough additional data to explain the event in Ursa Major. Meanwhile, theorists said they cannot explain how such prodigious high-energy radiation was produced in such a short time.

I was astounded when I heard these results," said Stan Woosley of the University of California, Santa Cruz, a theorist specializing in astronomical ex-plosions. "This was the greatest documented explosion since the dawn of man - and woman.

One of the few existing models that might explain the blast in Ursa Major is that of a "hypermova" — the violent collapse of an extraordinarily large star, 80 to 100 times the mass of the sun, into a rotating black hole, Mr. Kulkarni said. 'On the other hand, this is such an extreme phenomenon that it is possible we are dealing with something completely unanocipated and even more

More flamboyant scenarios, such as a hlack hale swallowing a neutron star, might have to be explored, Mr. Woosley said. A black hole is a concentration of matter whose gravitational field is so strong that nothing that falls into it can ever get out again, including light. A neutron star is an object that has stopped just short of becoming a black hole, whose matter is so dense that about a teaspoon of it would weigh a million

To emit gamma rays, the matter that exploded had to be expanding outward at almost the speed of light, astronomers

Some speculated that the high-energy radiation was not a spherical blast but a directional beam, like a flashlight, aimed directly at Earth, so that it gave the yahu, at a meeting Thursday of the impression of more energy than was Knesset foreign affairs committee. actually involved. This would make the blast a less bizarre phenomenon but it would also mean there were many more such explosions occurring around the edges of the universe that are not being detected because they are beaming in

another direction. The mysterious phenomenon of gamma ray hursts, whose light does not penetrate Earth's atmosphere, was first detected in 1967 by orbiting satellites designed to watch for clandestine nuclear testing. In the early 1990s, scientists began to launch sophisticated instruments designed specifically to solve the riddle of the bursts origins.

servatory, launched in 1991, startled scientists by revealing that the bursts crupled randomly from every direction in the sky. The Italian-Dutch BenpoSAX satellite, launched in 1996, finally confirmed that most of the bursts are immensely powerful events occurring in the remote

## more transparent in its presentation of

Continued from Page 1

ray astronomers who quickly aimed other ground and space-hased telescopes toward the point of origin in the con-

dense and soupy state of the cosmos Bang, with temperatures around 40 hiltion degrees. That was the primal explosion in which, according to widely

Within a region perhaps 25 miles (40

Thursday in the journal Nature. kilometers) in diameter, said Caltech's George Djorgovski, the event must have created conditions that resembled the 1/1000th of a second after the initial Big policy before a single currency is cre-ated, though bridging the gap in short-verse suddenly blossomed outward from

Christians and Jews. "Their investment

■ U.S. Jewish Groups Are Upset U.S. Jewish organizations swiftly denounced the statehood comments hy Mrs. Clinton, Agence France-Presse re-

Malcolm Hoenlein of the Conference In the Mideast peace talks, the Clinton of Presidents of Major Jewish Orgaadministration's patience has grown nizations called the remarks 'partic-short because of what it sees as the ularly disturbing at this time." The group represents some 50 Jewish associations in the United States. Politicians from New York also re-

acted quickly. Senator Alfonse D'Amaio, a Republican, called the first lady's comments "simply wrong" while Representative Charles Schumer, a Democratic candithat," said Rabbi Yehiel Eckstein, president of the International Fellowship of "vexed and disturbed."

ican politics — a respected, included ported from Washington.



in the Democratic Party and in Clinton are just 100 strong."

Prime Minister Benjamin Netan-Knesset foreign affairs committee.

NASA's Compton Gamma-Ray Ob-

## BRIEFLY

## **Baghdad Claims** To Snub Bomb Offer

BAGHDAD — Iraq said Thursday that it turned down an offer of help to huild a nuclear bomb with

said. "It was only a feeler put out to see if there was interest on the Iraqi

KHARTOUM, Sudan — A par-tial agreement reached by the Su-danese government and southern

Amin Omar Imam, a member of

GENEVA — Heavy flooding caused by torrential rains has forced about 75,000 people from their homes in Paraguay and has spread to the southern part of the country, the

feet) above its normal level and is expected to continue rising, the UN Weather patterns have been

brada Acts to A Jusiness in Philip

lows to Name Banker as Econ Wid - Vice Provident Intern the opinion politically will will The currency of 39 8% as traders in that the fail was se victor in the presidential and residence on Monday.

Inches to residence a new older community to the com sonable econe Philippines com

the 1 parket to lead his 200-COUNTRIES. Even so, the car Approximate latest political has more than double the ted to issue a water Although creat if my other of the 11 riva's b sacred President Fide about an Estada in Estrada the comming of the property of the comming of the committee of the committe ing used to the mi People me no

see if he will put Ramos has seen Reves, a trader at \$ cased that he would reject as Associated by the few profittient and appoint hum. People will just us happen once he ha who must retire after a area lem, warned Mr. Es-Under Mr. Res political stability. diplome mun nie overeige. Andreas allow in Course and the ball they are not image. Our arterior free trade and to tons. "Me Bond Course, our defication helpiess will be and helpiess will be toned.

Acquing because after all and the results. The press He has said the makely Mr. Estrada. 2 6 the pusiness can September actor, 16 Mr. September although he 15 tr facien investors 21.5 With Mr. Easter cia who is backed for Politicians and was All with 15 percent support warning Filminos ment's salicent of conducted by the respechas already taken at County in one per

And Stations, Said that and Endidates, Senator and condidates, said that being condidates. Sendior sending the said they could still being their minds. in the chesting and The country is no french in the 1996 in A their minds.

A texthange. Mr. Estrada

A people power to decially Ferdinand I And in the 199 Defenser-Soutings.

counting for account
against Mr. Remode
chealing The mail w

weighed down bercent at bercent at bercent at on a technicality. ote. are county the country's 7,000 School of the I age beto to a three-mouth didates have warned

massive chesting and

wd on hed ish-

r vith ais-uth

≳sts

ans on-of self en-un-

an-the

day nto ard neir

uly and

self

:ast

S

iina,

:10-

**R5** lwo Y.

œ

ute

зап

ırai

100

the

æn

ys-

ore

)II-

жn

## Washington Criticizes Deployment in Kosovo

Belgrade Is 'Radicalizing' Locals, Envoy Says

By R. Jeffrey Smith
Washington Post Service

WASHINGTON - The Clinton administracion has sharply criticized the Yugoslav government for undertaking what a senior official described as a "large-scale" deployment of infantry, tanks and artillery near the country's southern border with Albania, calling it a "dangerons provocation" that could inflame regional tensions.

U.S. officials said the border deploy-

ment amounted to a roughly battalionsized military force and described it as just one part of a substantial recent influx of additional security personnel

## **EUPact Clears** . Its First Barrier In Danish Vote

COPENHAGEN - Parliament formally ratified the European Union's Amsterdam treaty on Thursday, but Denmark's final seal of approval depends on the outcome of a nacional referendum on May 28.

The single-chamber house voted 92 to 22 in favor of the treaty, which opens the door for EU enlargement eastward and a common policy on refugees and asylum. It must be ranified by all EU members to take effect.

Opinion polls for the referendum have put Danish support for the treaty at around 50 percent, while opponents have tended to score around 30 per-

With a fifth of voters undecided. political analysts say the outcome is not certain, although most expect approv-

#### ■ Parliament Votes End of Strike

The Danish Parliament adopted a government proposal on Thursday night to end the country's biggest strike in 13 years. Reuters reported. The strike had crippled industry and transport, drained gasoline stations and reduced hospitals to emergency operations.

The Parliament passed the bill by a vote of 95 to 12, with 10 abstentions. Most of the 450,000 people on strike or locked out since April 27 are due back at

work by Monday. Weekend shift workers, as well as some bus and truck drivers, could be working as early as Friday, which is a public holiday in Denmark.

and regular army troops from Serbia into the southern province of Kosovo. Home to roughly 2 million people, Kosovo has been the site of rising ten-sions and sporadic violent clashes be-tween Serbian security forces and its 90 percent population of ethnic Albanians, who almost universally favor the creation of an independent state.

President Bill Clinton's special representative for the Balkans, Robert Gel-bard, painted a grim picture Wednesday of conditions in the province and re-iterated the U.S. warning that the ten-sions could destabilize both Albania and neighboring Macedonia if the dispute was not settled soon through political

The heavy-handed resort to force and atrocities rather than dialogue" by Belgrade is producing "increased radicalization" in Kosovo, Mr. Gelbard said, adding that Serbian and ethnic Albanian extremists were both becoming more numerous and influential.

The Serb special police, or paramil-

itary units, in Kosovo have tripled in size in the past two months, he said. "This is a substantial escalation in light of the signal it sends: that Belgrade

is prepared to use the full force of the military against its own citizens," be Mr. Gelbard added that the harsh crackdown had so angered Kosovars

that thousands had joined the ranks of guerrillas fighting for the province's independence. "We've seen a huge increase in terms of people, weapons and money flowing in, 'he said. Mr. Gelbard, who spoke during an

appearance before the Senate Foreign lations subcommittee on Europe, said that although Yugoslavia had a legit-imate right to defend its borders, its avowed aim of stopping the smuggling of arms by small groups of ethnic Albanian extremists in remote mountain passes 'does not track with the large-scale deployment of tanks and artillery.

He added that Washington and its allies had told Belgrade "in no uncertain terms" not to stage military operations oo Albanian or Macedonian territory. But neither Mr. Gelbard nor other U.S.

officials have specified what the consequences would be.

#### ■ Milosevic Said to Pick Mediator

Former Prime Minister Felipe Gonzalez of Spain will visit Brussels on Friday as diplomatic sources quoted Western officials as saying he might be able to announce that the Yugoslav president, Slobodan Milosevic, had accepted him as a mediator in the Kosovo crisis, ending opposition to outside intervention, Reuters reported.



With relief workers watching, a woman dug through the remains dow and pull out the bodies of two doctors, a of her house in Sarno, Italy, on Thursday, looking for relatives. nurse, a doorman and a patient.

## Death Toll at 54 In Italian Slides

حكذا من الاجل

SARNO, Italy - Thousands of rescuers and soldiers scoured villages in the Campania region of southern Italy on Thursday in a desperate search for about 100 people missing after mudslides turned into rivers of death,

killing at least 54 people.

"Unfortunately, as the hours pass, hopes of finding any of the missing still alive are fading," Andrea Todisco, and official of the Interior Ministry's civil protection agency, said.

Many children were feared to be among the

dead and missing.

Around 1,500 people have been left homeless in the hard-hit region south and east of Naples and have been evacuated.

Damage was estimated at hundreds of mil-lions of dollars. The mudslides are one of the worst natural disasters to hit Italy in years and come just

months after three strong earthquakes killed 11 people and left more than 1,000 homeless in the central region of Umbria.

Pope John Panl II described the mudslides

as a "shocking disaster" and said he was praying for the injured and the families of the dead and missing.

Days of torrential rain swept mnd and top-

soil off mountains and hills in the areas affected and combined to create a fast-flowing wave of mud, which some locals have described as similar to lava flows. In one case Wednesday, hlack tides of mud

gushed down a mouotainside, smashing through the back of the Villa Malta hospital and oozing through the doors and windows. Some patients escaped by climbing down sheets fied to balconies.

After digging through with their hands,

## Russia Bristles at NASA's Criticism

MOSCOW — A Russian official crit-icized as "regrettable and unpleasant" on Thursday comments hy the bead of

NASA about Russia's role in building a new International Space Station. The National Aeronautics and Space Administration chief, Daniel Goldin, told Congress on Wednesday that he had made a mistake in letting Russia build the service module for the station, where the astronauts would live.

The project, which has cost more than \$20 billion, is running well behind schedule.

The International Space Station brings together the United States, Russia, Canada, Japan and various European states in an ambitions program to keep bumans permanently orbiting in

A Russian official said last week that

the launching of the new station's first become a valuable player in the Insection would be put back from June ternational Space Station, which is exuntil autumn because of Russian delays in completing the service module. The service module is now set to be launched in the spring of 1999, a year behind schedule.

Mr. Goldin told the House of Representatives Science Committee that he wished, with hindsight, that the United States had built it. "We did not, and I accept responsibility and accountability

Economic termoil in Russia has left its space agency underfunded. Mr. Goldin said that it had received only \$8 million of \$340 million it needs this year from the government for its commitments.

But Alexei Krasnov, the Russia Space Agency's deputy head of inter-national cooperation, said Moscow would overcome its financial woes and pected to stay in orbit for decades.

"Within a year or even less, three modules will be in orbit and then few will recall these problems," he said. In his statement to the congressional

committee, Mr. Goldin said Russian participation was still clearly a net gain for the United States. Our confidence in Russian tech-

nical capability remains unshaken," he said. "The issue is uncertainty in Russian government funding for ISS.' A Russian government spokesman

declined to comment on Thursday, but a Foreign Ministry spokesman, Valeri Nesterushkin, said international cooper-ation was essential for future space missions, adding that Russian now faces "a temporary problem which we can get over together through joint efforts."

#### BRIEFLY

#### Suspected Killer Of 8 Held in Italy

ROME — Paramilitary policemen arrested a man with a history of psychiatric problems as the suspected killer of two women who were shot in train toilets last month and six other victims, Italian news reports said Thursday.

The police said Donato Bilancia, 47, who had a criminal record for car theft, was tailed by invesogators for 10 days after a stolen car turned up that matched the description of the small car into which one of the victims, a Nigerian prosofute, was seen entering the night she was murdered, the ANSA news agency reported from Genoa.

The man was arrested Wednesday as he returned to his home in Genoa, near the area of northwest Italy where four other prostitutes were murdered.

The deaths of two security guards were also linked to the slayings. (AP)

## **Dutch Parties Face Coalition Haggling**

AMSTERDAM --- Dutch politicians faced tough negotiations to form a government on Thursday after a general election that bolstered Prime Minister Wim Kok of the Labor Party and his Liberal coalition partner.

Both parties sought to team up again with the centrist Democrats 66, the third member of the outgoing coalition, even though it lost nearly half of its seats in Wed-

nesday's vote.
The Democrats 66 leader, Els
Borst, acting health minister, has made it clear she will demand a high price for her party's cooperation. She seeks three ministerial posts, one more than her party's showing should allow. (Reuers)

#### Spaniard Fined For Harassment

MADRID - A court in Barcelona has handed down the country's first conviction in a sexual

harassment case, authornies said. The court oo Wednesday found Jose Luis Balaguer, chief of security for a shopping center, guilty of making unwanted sexual advances to a female subordinate and ordered him to pay about \$5,000 in fines and compensation, according to court spokeswoman. (Reuters)

ASIA

## Estrada Acts to Assure **Business in Philippines**

He Vows to Name Banker as Economic Aide

Compiled by Our Staff From Disputches

MANILA - Vice President Joseph Estrada, who opinion polls say will win a landslide victory in the presidential election in the Philippines on Monday, tried Thursday to reassure a oervous business community by saying that he would name a banker to lead his economic team if he wins.

With 33 percent in the latest polls. Mr. Estrada has more than double the support of any other of the 11 rivals fighting to succeed President Fidel Ramos.

"We're pulling ahead," Mr. Estrada said at a news conference at the Philippine Stock Exchange. "I think it's all over but the counting,"
He announced that he would select as

his finance secretary Edgardo Espiritu, a banker and one of the few prominent businessmen to support him. Mr. Ramos, who must retire after a

single six-year term, warned Mr. Estrada not to celebrate until the official election results were known. Counting is expected to take about two weeks. 'I just hope that they are not imag-ining or anticipating because after all

the more prudent and decent approach is to just wait for the results," the president said. Since elections for the two top posts

are held separately. Mr. Estrada, a 61year-old former movie actor, is Mr. Ramos's vice president although he is in the opposition camp.

Jose de Venecia, who is backed for

president by Mr. Ramos, was second in the latest poll with 15 percent support among voters. The survey, conducted by the respected Social Weather Stations, said that

two independent candidates, Senator Raul Roco and Emilio Osmena, were ned for third with 11 percent. Nine percent of respondents were undecided and 26 percent said they could still 'easily' change their minds.

At the stock exchange, Mr. Estrada met with brokers who, wary of his lack of economic background, said in a recent survey that he was almost at the bottom of their list of presidential fa-

The market remained weighed down on Thursday by concerns over the political tension in Indonesia as well as the outcome of the election here. The Manila composite stock index closed down 21.16 points, or 0.96 percent, at

The index was hurt by a sharp morning plunge in the peso to a three-month low of 42 to the dollar.

The currency recovered to close at 39.86 as traders bought cheaply, feeling that the fall was overdone, given reasonable economic fundamentals in the Philippines compared to some Asian

Even so, the central bank was prompted to issue a warning that it was ready to act against future speculative pressure. Although members of the business community have expressed concern about an Estrada victory, some are get-

ting used to the idea.
"People are now willing to wait and see if he will pursue the policies that Ramos has started," said Freddie Reyes, a trader at Citisecurities. "There's some potential there.

People will just wait and see what will happen once he becomes elected."
Under Mr. Ramos, the Philippines achieve sustained economic growth and political stability.

"Our administration is committed to free trade and to free market institutions," Mr. Estrada said. "Bnt of course, our dedication to the poor and helpless will be unwavering."

He has said that among his highest priorides will be increased confidence by the business community, especially foreign investors, and lower interest

With Mr. Estrada far in the lead, politicians and watchdog groups were warning Filipinos to be wary of widespread vote tampering. The government's national election commission has already taken away local control of voting in one province, 7 legislative. districts and 34 municipalities to minimize cheating and violence.

The country is no stranger to election fraud. In the 1986 presidential elections, massive vote-tampering led to a 'people power' revolt that toppled the dictator Ferdinand Marcos.

And in the 1992 election, Miriam Defensor-Sanoago, who led in the vote counting for several days, filed a protest against Mr. Ramos, accusing him of cheating. The suit was later thrown ont on a technicality. Votes are counted by hand and the

results must be carried to Manila from the country's 7,000 islands. The winner is officially announced by Congress several weeks after the election, leaving many opportunities for cheating. Several of the 11 presidencial can-

didates have warned of a new uprising if massive cheating and fraud occur to this (Reuters, AFP)



Japanese teenagers crying in Tokyo on Thursday at the funeral of Mr. Matsumoto, who committed suicide.

## Bishop Kills Self in Pakistan Protest

ISLAMABAD - A Roman Catholic bishop who was a prominent human rights campaigner in Pakistan fatally shot hieraself to protest a death sentence against a Chrisnan for blaspheming Islam, a church official said

Bishop John Joseph, chairman of a human rights commission established by the Catholic Bishops Conference of Pakistan, shot himself in the head Wednesday with a pistol in the cor-ridors of the courthouse where Ayuh Massih, a Catholic, was convicted and sentenced to death on April 27.

"It is extremely sad that his decision has taken away the best of the best from the human rights movement in Pakistan, but his message comes through very clearly," said Peter Jacob. a spokesman for the Catholic Church of Pakistan. I. A. Rehman, director of the Hn-

man Rights Commission of Pakistan, said Bishop Joseph was distraught over the verdict against Mr. Massih and the way the trial had been con-Last month, the bishop threatened to

less the government repealed the death Hundreds of Christians gathered Wednesday night outside the court-

protest in an "astonishing" way un-

house in Sahiwal, 650-kilometers (400 miles) sonth of Islamabad, where Bishop Joseph had shot himself earlier, Mr. Jacob said.

The 66-year-old hishop traveled to Sahiwal on Wednesday afternoon where he addressed a prayer meeting for Mr. Massih and met members of the condemned man's family, Mr. Jacoh said. The bishop said the charges against Mr. Massih were false and concocted to force 15 Christian families to drop a local land dispute.

He later asked the parish priest, Father Yaqooh, to accompany him to the courthouse. When they arrived, he asked Father Yaqoob to stay back and went into a dark corridor where he shot himself, Mr. Jacob said. Bishop Joseph's body has been taken to his home village near Fais-

alabad, 190 kilometers north of Sahiwal, for burial on Friday. He was appointed head of the diocese of Faisalabad, near Lahore, in

He twice went on hunger strikes as part of naoonwide protests by the Christian community. In 1992, he protested the inclusion of religion on national identity cards that he said could lead to religious discrimination. Two years later, he protested the murder by Islamic extremists of a Christian who was on trial for hlasphemy.

Mr. Massih, 25, remains in jail pending appeal. He was convicted of speaking favorably of Salman Rushdie, the British author who is under a death penalty by Iranian religious leaders for allegedly making blas-phemous commenta about the Prophet Mohammed in his book "The Satanic Verses.

Noting that Mr. Massih had been accused hy a Muslim man, Bishop Joseph maintained that the case was essentially one man's word against another's. He alleged that the judge gave twice as much weight to the accuser's charges because he was a

Bishop Joseph, in a letter to the Dawn newspaper published Thursday, urged fellow Christians, Mnslims and minority groups to protest Pakistan's blasphemy laws.

Pakistani law requires death for anyone who defiles the Prophet's name. Criocs contend that the vaguely worded law is often misused by religious zealots against religious

tenced to death, but those conviccions were overturned by higher courts. About 2 million Pakistanis are Christian, amounting to 1.6 percent of the population of 140 million, mostly

Several Christians have been sen-

(AP, Reuters)

Estimates of the crowd Thursday around the Honganji Temple near the famous Tsukiji fish market ran from 20,000 to 50,000. Scores of police officers - who had no idea who Mr. Matsumoto was — were called to the scene to control the wailing and fainting fans. Television shows were filled with Mr. Matsumoto's music and shots of the

TV interviewers to explain to parents and older people the impact of this mnsician's suicide. A teenage girl told NHK news: When I was in trouble in my life, I

listeoed to his music and it encouraged me and gave me strength." Another teenager in the line of mourners that stretched far more than a mile around the temple said Hide may have looked like a troublesome rebel to the general public, but he had a warm heart and he looked like reliable older brother to me."

Grieve Pop Star

**Mob Streets to** 

Japanese Teens

By Mary Jordan TOKYO - Thousands of teenage fans wept, screamed, and fainted Thursday as they mobbed the streets near the funeral of a popular rock star who had killed himself. Forty-four of them were

Young fans clutched flowers and each other as police restrained them outside the memorial service for Hideto Matsumoto, 33, guitarist of the rock band X Japan who was known as Hide.

treated in hospitals.

Mr. Matsumoto, unknown to parents but famous among teenagers, colored his hair bright red and yellow and wore it straight up in the air. Many of the moumers had also colored their hair, an increasingly pop-

ular trend in a country where just about everybody has dark hair and many schools forbid even the slightest tinting. After two teenage girls distraught over the rock star's death tried to kill themselves this week, the remaining four members of the band held a press conference to plead with fans to "remain strong." One of the girls, who jumped off a hridge wearing a T-shirt bearing Mr. Matsumoto's name, remains in a

coma. The other, a 14-year-old who tried

to hang berself in the same fashion as the

star, died Thursday from her injuries. Her parents said she had been in shock

from the guitarist's death.
In addition, a van carrying five male fans crashed Thursday, killing a 22-year-old who was traveling across Japan at 4 A.M. to attend the funeral in Tokyo.

carpet of flowers laid ont by fans. Youths were constantly being asked by

## **EDITORIALS/OPINION**

## Russia's New Team

President Boris Yeltsin has been putting the finishing touches on his new cabinet, and it's a striking team. Past Russian governments have been coalitions of pro- and anti-reform elements, almost designed to produce stalemate. The newcomers are almost uniformly young and pro-reform, with experience not in Communist bureaucracy but in post-Soviet husiness and local government. They are pragmatic, not ideological, and they are not under the control of Moscow's oligarchs. Just look at the ages and résumés of

the new government leaders. The new prime minister is Sergei Kiriyenko, 35, a successful business-man from Nizhny Novgorod with only a year's experience in Moscow. He has named three deputy prime ministers (down from an unwieldy eight in the previous cabinet): Oleg Sysuyev, 42, the reform-minded former mayor of

Samara; Viktor Khristenko, 40, a tech-

nocrat from Chelyabinsk; and Boris

Nemtsov, 38, who promoted reforms

as governor of Nizhny Novgorod. The Labor Ministry will be beaded by a 40-year-old St. Petershurg liberal. The Agriculture Ministry, long a redoubt of Communist forces, has a new 40-year-old boss who made a fortune selling meat to McDonald's.

In the national security field. Mr. Yeltsin has retained his older-generation foreign and defense ministers. But it is clear that the economy will be the top priority for the new team, and in the economic area there are no Soviet holdovers of the ilk of dismissed Prime Minister Viktor Chernomyrdin.

Youth and inexperience can be handicaps, of course. But in Russia, so can experience. Anyone with more than a decade of government service grew up with five-year plans and crackdowns on "speculators."

Just as important, the new team seems relatively independent of the financial titans who amassed wealth by buying state assets cheap as the Soviet system crumbled and who oow expect favored access to the public trough in perpetuity. The Kirlyenko government can be expected to promote a fairer, more open and hands-off relationship with business.

None of this means that Russia will now move smartly to solve all its probletns: the noncollection of taxes, the disintegration of the military, the millions living in poverty. These are structural challenges that oo one could overcome quickly; and the Parliament, among others, continues in present an obstacle to oeeded change. But if Mr. Yeltsin stays healthy, engaged and supportive — big ifs all — Russia will have a government that should at least be pulling together, and in the right direction. That would represent a majnr improvement over the past half-

decade's performance. - THE WASHINGTON POST.

## Look at What Can Be Done, and Stop Carping

By Flora Lewis

RIO DE JANEIRO — Some mo-mentous decisions are being made these days. The dates will surely enter chairman, put it, "We are all hashistory books as major milestones in beens, so we are free to speak out." the transformation of the way the world Its purpose is to make proposals for is organized as it moves into a new age

dictated by revolutionary technology and the collapse of ideology. action that can bring a better world. But there is currently a cult of Cassandra that does not welcome the very kind of You would have expected hosannas cooperative change that power, used of celebration, a sense of achievement at showing that after all people can take wisely, can bring. The confirmation of the European their destiny into their own hands even if the uncharted future is full of un-Unioo's single currency was indeed tainted by the unseemly hassle over the appointment of the bead of its oew certainties. But instead, the dominant

sounds are carping complaints, sour central bank. France behaved in exwarnings that things could go wrong. almost a rejection of the right to hope. actly the old, assertive national way We have just had the first ever volthat the Union was created to discourage, so as to extort a promise that the untary move by 11 sovereign European states to unite their currencies and so post would go to a Freochman after everybody else's candidate, the Dutchmove on to a system of cooperation in man Wim Duisenberg, serves half his recognition of common interests. instead of age-old antagonisms. And we mandated eight-year term. It was a have endorsed the beginnings of a new demeaning demonstracion. and, I am convinced, evennually inclusive European security system to

But that cannot eclipse the tremendous importance of the European move. Already, just the preparation for the euro has brought a convergence of eco-Several, although not all, voices at nomic policy among the countries inthe loterAcoon Council meeting bere volved, and monetary unioo is bound to reflected the bleak mood. The council promote further harmonization that will bring these states closer politically.

Despite all the caveats, the prospects are judged bright enough to inspire emulation. Brazilian officials predict that Mercosur, the free trade area es-

hrought to Europeans, will move on to a single currency within 10 years. Europe has proved that economic cooperation pays better than protectionism and beggar-my-neighbor, and the lesson is spreading to many regions.

NATO expansion has been denounced and derided as though it were simply adding square miles and costs to the Cold War alliance, rather than opening the way for gradually enhanced collective security in a continent that launched two world wars and a global confrontation which risked nuclear holocaust.

Of course there can, there will, be litches, as these great changes in state relations take effect. But how can there be nostalgia for the way they have been handled in the past, when we know the disasters that resulted? The changes bave taken courage, visioo and political will to find a better way, and they show that it can be done.

The world is not running out of challenges by any means, but it is right to take encouragement from what has been achieved. Oscar Arias, the former president of Costa Rica who received the Nobel Peace Prize for helping to eod the war in El Salvador, made a point of taking that approach in presenting his new campaign here.

He appeals for serious reduction in tablished by Brazil, Argentina, Par-military spending - \$800 billion glob-

aguay and Uruguay to seek the kind of benefits that the common market sources to education and health care. In the past 50 years, according to the United Nations Development Program, poverty has fallen more than in the previous 500. Child death rates in developing countries have been more than halved. Malnutrition has been reduced hy nearly a third. By century's end, 4 to 5 billion people will have

basic education and health care. The eradication of poverty is oot a wistful, naive hope, it is a veritable possibility," Mr. Arias said. "If we channeled just \$40 hillion (of what goes to military spending) over the next-10 years into anti-poverty programs, all of the world's population would enjoy ba-sic social services." Another \$40 billion over 10 years would bring all people above their countries' poverty lines.

It is especially urgeot to curtail arms sales to developing conotries. A oumber of the poorest spend much more oo their military than on education and health combined, and up to seveo times more than they receive in official de-velopment aid. The United States is a leader in this trade, supplying 45 percent of the world's arms deliveries.

There is plenty to worry about, plenty to be done. But when historic moves are made to deal with some old troubles, it is good to cheer for a moment arthe sign that people can do better.

## Reforming the RUC

Hong Kong's last British governor, Christopher Patteo, who managed the colony's return to Chinese rule, is oow taking on a job that coold make dealing with Beijing look easy. He will run an independent commission proposed by last month's peace accords in overhaul Northern Ireland's police. Few issues in Northern Ireland are as controversial as the Royal Ulster Constabulary, long viewed by many Catholics as an enemy oppressor. The force requires profound change if it is to win the trust of all Northern Ireland's citizens.

Most Catholics will not join the RUC, often because of pressure from their own community. As a result, the force is 93 percent Protestant, which reinforces its insensitivity to the Catholic community. In addition, annual clashes between Catholic oationalist protesters and police during the summer marching season create considerable tension. If peace takes bold, the climate for

change will improve hut much delicate work lies ahead. One example is the dispute about the RUC's symbols, starting with the "Royal" in its name, which many Catholics resent but many Protestants will not countenance changing. Another problem is that huge laynffs are inevitable, since the current 13,000-member force is twice what a region of 1.6 million needs in peacetime. It does not huild goodwill to lay off Protestants while hiring Catholics.

Recruiting Catholics is necessary, however, and that in turn requires a genuine change in police culture. There have been many allegations of

police abuse of Catholics, including the excessive use of plastic bullets against Catholic protesters and beatings in custody. An investigation re-leased in March by a United Nations special rapporteur accused the RUC of intimidating lawyers defending alleged terrorists. It recommended an investigation into the 1989 murder of a lawyer who had defended alleged Irish Republican Army terrorists and received death threats from the police.

The police's bunker mentality must also change. Training, which should include civilian teachers, ought to emphasize defusing conflict without force.
Civilians should also be put in charge of investigating police abuse. Today, victims often do oot file complaints because the police quash them. Last year Prime Minister Tony Blair introduced a police hill for Northern Ireland that established an independent ombudsman to handle complaints, a crucial step. But the bill, which has not yet passed, would also dilute the little authority that civilian groups now have over the police. Mr. Patten's commission should look for ways to strengthen it instead.

Broader changes will also be necessary. The IRA's recent statements that it will oot give up its hidden weapons are damaging, as all armed groups need to do so. Draconian security laws, such as those allowing detainees to be interrogated for a week without seeing a lawyer, must change. Reforming the police in Northern Ireland is inseparable from overall progress toward peace.

THE NEW YORK TIMES.

## Expect a Big Euro, and Start Trans-Atlantic Planning

WASHINGTON — Cre-acoo of a single European By C. Fred Bergsten

currency is the most important development in the international monetary system since the adoption of flexible exchange rates in the early 1970s.

of having held power.

replace the confrontation of alliances.

is one of the world's most exclusive

clubs, composed of former beads of

government who meet to exchange

views based on their special experience

As former German Chancellor Helmut Schmidt, who is the honorary

The dollar will have its first real compedtor since it surpassed the pound sterling as the world's dominant currency during the interwar period.

As much as \$1 trillion of international investment may shift from dollars to euros. Volatility between the world's key currencies will increase substantially, requiring new forms of international cooperation if severe costs for the global economy are to be avoided.

The political impact of the euro will be at least as great. A bipolar currency regime dominated by Europe and the United States, with Japan as a junior partner, will replace the dollarceotered system that has prevailed for most of this ceptury. A quantum leap io trans-Atlanuc cooperation will be required to handle both the transition to the new regime and its long-term effects.

The global economic roles of the European Union and the United States are nearly identical. The EU accounts for about 31 percent of world output and 20 percent of world trade. The United States provides about 27 percent of global production and 18 percent of world trade.
The dollar's 40 to 60 percent share of world finance far ex-

Inertia is a powerful force in international finance. For half a ceotury the pound sterling retained a global role far in excess of Britain's economic strength. The dollar will probably remain

the United States.

the leading currency indefin- folio diversification of \$500 bilitely. But the creation of the euro will narrow, and perhaps eventually clase, the present monetary gap between the United States and Europe.

The dollar and the euro are each likely to wind up with about 40 perceot of world finance, with about 20 percent remaining for the yen, the Swiss franc and minor currencies.

If the gap between the current market share of the dollar and that of the European currencies were closed only halfway, that would produce an enormnus shift in global financial holdings. Substandal implications emerge for the functioning and management of the world economy. There will probably be a port-

lion to \$1 trillion into euros. Most of this shift will come out of the dollar. This in turn will have a significant impact on exchange rates during a long transiting period. The euro will move higher than will be comfortable for many Europeans.

In the loog run, the dollareuro exchange rate is likely to fluctuate considerably more than have the rates between the dollar and individual European currencies. This fluctuation could cause prolonged misalignments that would ont only have adverse effects in both Europe and the United States but also provoke protectionist pressures on the global trading system.

Creation of the euro will raise

quire intensive cooperation, both across the Atlantic and in multilateral settings such as the Group of Seven and the IMF.

Europe bas always accounted . for a share of world trade comparable to that of the United States. In addition, Europe has had a commoo trade policy from the outset of its integration process. Trade policy thus has been bipolar for almost four decades.

The prospective developments oo the monetary side would mirror that evolution, equating Europe's market position and institutional arrangements with those of the Uoited States to produce a similarly hipolar regime.

It is essential that the United States, Europe and international financial institutions begin to Farcign Affoirs:

many policy issues that will re- prepare for the euro's global impact. It is up to the governments of the two regions to achieve a smooth transition from the sterling- and dollardominated monetary regimes of the 19th and 20th centuries to a stable dollar and euro system in the early 21st century.

hamsing/v.

a lang. With mount know it.

25:16:25

3000

Har 20.00

1 2 5 6

A. 600

menican fore 1211

pley b production

. Gre.

The underlying strength and bistory of the North Atlantic telationship bodes well, but achieving a successful outcome will be a major challenge in the years ahead.

The writer director of the In-stitute for International Economics, is o former assistant secretary of the U.S. Treasury. This comment was adopted far New York Times Special Feotures from a longer orticle in

## **Iraq Is Still Cheating**

In the latest Security Council review, even Russia, France and China were compelled to acknowledge that lraq is cheating on its disarmament obligations. These countries were plainly prepared to seize on any evidence of compliance in order to start stripping away the economic sanctions that the United Nations imposed after Iraq swallowed Kuwait eight years ago. Iraq failed to supply such evidence. On the contrary, evidence of its noncompliance was provided not just by the United Nations inspeciors whose good faith Saddam Hussein has (unconvincingly) challenged but also hy an alternate inspection team sponsored by, among others, Russia. France and China.

Not that the Security Council front is seamless. By the word of the respected inspectorate of the International Atomic Energy Agency, Saddam Hussein has made some progress in doing away with nuclear weapons and materials. On this basis, those nations friendlier to iraq sought to close the "nuclear file" and to move in this realm from 'search and destroy" scrutiny in passive monitoring.

The United States noted the progress

but demanded more disclosures, and of biological and chemical preparations as well as nuclear. Insisting that first Iraq must cleanse all hranches of its weaponry and honor all UN resolutions. Washington was able to head off a weakening of sanctions at this time.

Saddam Hussein presumably intends to win the lifting of the international embargo at little or no cost to his arms ambitions. To succeed he will have to do better than he did last week. when he stuck in a position that detached him, at least for a while, from international company.

Could be really have expected to brazen his way through by belatedly opening up those eight "presidential sites" to inspectors with a new diplomatic escort and by proclaiming without proof that the whole of Iraq

was now dirty-weapons-free? Saddam Hussein's cabinet warned the Security Council to lift sanctions or face an undefined "new state of affairs." Friends of Iraq should tell him that policies aimed at alliance-splitting will serve Iraq much less well than respect for his obligations to the United

- THE WASHINGTON POST

## Monetary Union Could Provoke Conflicts in Europe By Martin Feldstein

CAMBRIDGE, Massachu-setts — Politics, not economics, is the real reason the European governments have pursued monetary union. The euro will advance Europe's evolution toward a political union, a

United States of Europe. The euro will immediately shift power from the individual countries to a new European Ceotral Bank, increasing pressure for coordination of tax rules and other economic policies. All of this will strengthen political iostitutions like the European Parliament at ceeds the economic weight of the expense of the individual member governments.

These developments are specifically anticipated in the Maastricht treaty of 1991, which calls for an eventual

defense policies as well as to economic and social policies.

Replacing German marks, French francs and other national currencies with euros will also bave a big psychological effect. There is no significant country in the world that does not have its own currency. When Europeans carry curos in their pockets, they are bound to feel that power has shifted from their national capitals to the political institutions in Brussels and Strasbourg.

This shift to a single currency will probably cause higher cyc-lical unemployment. With the euro, national interest rates and exchange rates will no longer political union that will have automatically decline to cush-

sprawling government and loosen labor laws, even while

governing with the support of

the unions and those most de-

pendent on the welfare state.

Massimo D'Alema, leader

of the Democratic Party of the

Left and Mr. Prodi's ally, says

the new-style left has become

popular because voters think it

ganizational life that have

characterized our continent."

Mr. D'Alema said in an in-

lerview in the current issue of

Dissent magazine, Europeans

want a bit of security. But they

also know that the 'social

compromise" reached after

nai declines in demand.

The long-term outlook for inflatioo depends on the policies that will be adopted by the European Central Bank. The current system, in which national governments are virtually forced to follow the lead of the German central bank, has produced very low inflation rates throughout Europe, even though most countries do not share Germany's strong aversioo to inflation.

In the new monetary union, Germany will no longer set the standard. At the European Central Bank, each country will have an equal vote. Higher inflation in the future looks like a good but unfortunate bet. It is possible, of course, that

monetary union will eventually be abandoned because of its adverse effects on unemployment and inflation. What will happen if unemployment rises rapidly in Spain and the country's public and politicians are frustrated by their inability to adopt an easier monetary policy or to permit a currency decline? At what point would the Spaniards declare that they want out?

Many of the countries using the curo are likely to conclude that European policies are being made by a German-French collusion from which others are effectively excluded. They may without getting in exchange any meaningful say in the decisions that affect their citizens' lives.

Since the end of World War II, the proponents of European responsibility for foreign and ioo the effects of national or political union have dreamed inate the conflicts that produced past wars. But the euro and the political union that could follow are more likely to lead to new and magnified conflicts. These will probably occur

not only among the oations in mooetary union but also with the European countries that remain outside. The end of the Cold War

eliminated what had been the primary reason for European countries to cooperate with one another and with the United States. Monetary union is likely to create or worsen political conflicts and economic instability in Europe. Some Europeans will respond to the conflicts by seeking a common enemy as a

source of political solidarity.

Some Europeans are already saying that political union is needed as a counterweight to the global influence of the United States, so it is clearly time for Americans to take the euro seriously. Washington needs a strategy to reduce the risk of conflict in Europe and sustain the existing positive relationships between America and the individual nations of Europe.

The writer, an economics professor of Harvard, is presidem of the Notional Burean of Economic Research and was chairmon of President Ronold Reagan's Council of Economic Advisers from 1982 to 1984. He countibated this comment to The New York Times.

#### can perform two tasks. Europeans worry that "gloand they split. come to regret that they sac-Those who still felt the tug rificed their national sovereignty bal competition will destroy the forms of social and or-

politics are baroque no more. That was the implicit message carried to America this week by Prime Minister Romano Prodi. Mr. Prodi, a warm profess-

WASHINGTON — Italy, is a modern, forward-

looking country, and Italian

orial son given, at least in public, to self-deprecation, did linle bragging about what his government has achieved. In a breakfast conversation with a group of journalists and others small party that still uses with an interest in matters Italian, he talked more about things still to be done. Yet the political transfor-

mation going on in Italy puts it in the forefront of a moderaization of Western politics. Old parties of the center-left are shedding doctrinal encumbrances to emerge as the natural parties of government. Mr. Prodi wants Italians to

have what they call a "bipolar" system. He thinks voters are better off with a choice between a moderately progressive party and a moderately conservative one. They can toss one party out if it fails, without fear that the other will veer off on an ex-

That fear dominated Italian politics for four decades. After World War II, the old Christian Democratic Party held or shared power continuously because the alternative was the West's largest Com-

munist Party. Many Italians

who disliked the Christian

Democrats simply did not want

Communists in the govern-

ment, no matter how much the

treme course.

By E. J. Dionne Jr.

Modern Political Design in Italy

Communists proclaimed their differences with Moscow. But the Berlin Wall collapsed, the Cold War ended and the Communists transformed themselves. They

changed their name to the Democratic Party of the Left, of the old tradition started a 'Communist" in its name. A former Christian Demo-

crat, Mr. Prodi helped engineer the next step. He and his allies herded all the vaguely progressive forces — the former Communists. remnants of the old Socialist Party, Greens, some small middle-class parties and a chunk of the now disintegrated Christian Democrats into one big alliance. Its very name evokes serenity rather than class struggle: the Olive

Tree coalition. The more conservative forces also affected a merger. organized by media tycoon Silvio Berlusconi.

When the two camps faced off the first time, Mr. Berlusconi won. But his government ran into trouble and fell a year later. Mr. Prodi used Mr. Berlusconi's time in office to organize the Olive Tree, and it took power in 1996. He speaks of a certain soli-

Bill Clinton's Democrats.

World War II needs revision. Voters have a "fatigue and fear" of the right, Mr. D'Alema said. But they know that the welfare state, which is the left's achievement, needs to he changed into something 'modern and flexible."

Mr. Prodi does not pretend that he and his friends have all the answers. On the contrary, he says, the debate is "at the beginning of the beginning of the beginning." But at the least he would replace what is being called Seinfeld politics lthat is, a politics about nothing) with a project which embraces the economic and technolugical progress that the new economy makes possible while minimizing its in-

darity with the new Labour justices and disruptions. Italy, with its gift for Party of Tony Blair and with design, is taking its place at the His job is even harder than new political drawing board. theirs. He needs to cut Italy's Washington Post Writers Group

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1898: Spanish Defeat seen many eonfidence games.

MANILA vià HONG-KONG

- Not one Spanish flag flies in Manila Bay to-day [May 1]. Not one Spanish warship floats except as nur American prize. More than 200 Spanish dead and 500 to 700 wounded attest to the accuracy of American lire. Commodore Dewey attacked the Spanish position at Cavite and secured one of the most brilliant successes of modern warfare. The fact that our loss was triffing adds to the pleasure of the victory without detracting from its value.

1923: Stock Conspiracy

NEW YORK - Wall Street was sharply hit hy a bear con-spiracy this morning [May 7]. which included the sending to prominent brokers forged orders to buy leading stocks, the orders being accompanied by forged cashier's cheeks. Wall Street has

but this is the first so extensive. The American Bankers Association has assigned a special squad of delectives on the case in the hope of catching the gang. which might have made millions if the orders had been promptly executed.

1948: European Pillar THE HAGUE - Winston

Churchill called on the first congress of Europe to set up immediately a European assembly to raise "the voice of Europe" and seek eventually a council of Europe as one of the three pillars of a world government. Mr. Churchill urged his proposal on an audience of roughly 700 delegates who are seeking to unite western Europe and who are willing to extend the idea to the nations of eastern Europe when and if they throw out their Communist or Communist-dominaled governments.

clinton and the

A Limited Internation Still A

www.worldco

June 21–24, 1998 George Mason Unive Fairfax County, Virgin Phone: I-703-790-0304 email: jpoisant@work

> When The Come Technology Meet

Edit of for Ana. Michael Richambon, S. Camerburt, Rd., Singapore (1980). Ed. (1972-77). Lat. (1972-1242). Mag. Dir. Ana. Herr. Dimer. 30. Glouerser Rd., Hung. Kong. Tel. 852-292-1188. Fab. 852-292-1198. Gov. Mag. Chr. Schlieb Fredhillen (1982). Frankfort M. Rd. 1990-1294. Lat. 120-292-1194. Proj. U.S. Ann Bimbloom, 89 Tanil Are. New York N. F. 1902. Tel. (212-752-886). Fab. (212-752-886). C. K. Advertising Office. 63 Long. Acre. London W.C., Tel. (171) 836-4802. Fab. (171) 240-2254. S. A. S. an capital de I. 200 (201). RCS Namerre B. 352021126. Commission Paradon. No. 61337. U.1998. International Herital Tribune. All rights reserved. ISSN. (2014-885).

Herald Eribune

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

Co-Chairmen of the Bount

KATHARINE P. DARROW, UK Chairman

PETER C. GOLDMARK IR., Chairman and Chief Executive Officer

RICHARD WOOLDRIDGE. President and Clue! Operating Officer

MICHAEL GETLER, Executive Editor

WALTER WELLS. Managing Editor • PAUL HORVITZ, Deputy Managing Editor
 KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors • SAMUEL ABT and

CARL GEWIRTZ, Assertate Editors . ROBERT J. DONAHUE, Editor of the Editoral Pages

JONATHAN GAGE, Business and Finance Edition

• RENÉ BONDY, Senior Vice President and Chef Funnical Officer

\* DIDIER BRUN. Currilation and Development Director

Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-A: Gaulle, 92521 Neurily-sur-Seine, France.

Internet address: http://www.ita.com/E-Mail: ihtt@iht.com/

Tel.: (1/41/43,93,00, Fax, Subscriptions, (1/41/43/92)(0; Advertising, (1/41/43/92)(2 News, (1/41/43/93))).



antic Plannin

and liet- it low

L /ith ais-uth

≳sts

ans

on-of self

an-the

le

17-

day

nto ard

ıcir

uily and

self

:ast

aid

Γhe

:ig-

ap-im-

3

14

ire-

o a

ina

ly's

the

R5 IWO Y.

æn

ys-

Dre

#### OPINION/LETTERS

## Clinton and the Fudge Factor

WASHINGTON — Every so often in Washington, a moment comes up, often unexpec-tedly and accidentally, that reveals a large truth previously hidden in plain sight. One such occurred on April 27, when Elaine Sciolino, a reporter for The New York Times, intrepidly got herself into the Roosevelt Room at the White House with 60 evangelical

Christian ministers.
The evangelicals had come to listen to Samuel Berger, the national security adviser, ask them not to support the Wolfe-Specter hill, which calls for the United States to sanction nations that countenance the violent persecution of religious believers.

Atter Mr. Berger had made his pitch, the president arrived to adlib a brief addendum. Bill Clinton did not know that a reporter was in the room, and his remarks in urging nonsupport for the human rights legislation were, as Ms. Sciolino later wrote, with a nice understatement. "unusually frank" (IHT, April 29).

What always happens if you have automatic sanctions legislation is it puts enormous pressure on whoever is in the executive hranch to fudge an evaluation of the facts of what is going on. "Mr. Clinton said. "And that's not what you want. What you want is

Increasingly, American foreign policy is predicated on lying, and everyone knows it.

to leave the president some flexihility, including the ability to impose sanctions — some flexibility with a range of appropriate reactions.

He later added that sanctioning Degislation created "an enormous amount of pressure in the bowels of the hureaucracy to fudge the

Ms. Sciolino noted that Mr. Clinton did not say whether the administration had ever 'fudged'' facts to avoid imposing

sanctions. But he did not have to. For what the president hinted at in that room - and wbat he never intended to be aired outside that room --- was an obvious truth. The growing use by Congress of sanctions laws has combined with the casual Clintonian attitude toward honesty to create an unintended

By Michael Kelly

consequence of a serious nature: Increasingly. American foreign policy is predicated on lying, and everyone knows it, and this knowledge is breeding contempt for honest dealing in U.S. foreign policy matters at home and abroad.

The phenomenon is the result of a cyclical effect. Sanctions laws. which feature periodic reviews automatic punishments against nations that act against particular American interests or values, are intentionally blum instruments, designed to force the executive hranch to take tough ac-

tions whether it wants to or not.
They are essentially expressions of legislative mistrust, and the more a Congress does not trust a particular president to share its values and fulfill its wishes, the more sanctions laws proliferate. This Congress, which profoundly mistrusts this president, wields sanctions laws with increasing abandon in areas ranging from nuclear proliferation to drug tratficking to human rights.

But this administration does not believe in sanctions. It believes in bener living through talking, and it believes that making nice gets you farther than eetting tough, and it believes that the husiness of America is husiness and it believes, most devoutly, that the business of husinesses that contribute to the president and his party is the president's own very particular business.

It does not believe that honesty is always, or even very often, the best policy. So the more Congress employs sanctions laws, the more the administration responds by what the president calls fudging: refusing to admit the realities that would trigger sanctions. And this, of course, gives Congress ever more reason to mistrust, leading to more sanctions laws, leading to more fudging ...
This cycle of dishonesty is cor-

rupting grave issues of national security, most seriously in the proliferation of weapons of mass destruction, in which there is currently a bull market, Rather than trigger sanctions, the administration says that Russia and China are cooperating with U.S. efforts to halt the spread of nuclear arms and missile systems to regimes hostile to U.S. interests. In truth, the White House knows that this

is not so. Last month the administration

declared that some 20 Russian government agencies may be assisting Iran's missile programs assistance that has helped fran develop an intermediate missile, the Shahab-3, that can reach Israel and can carry chemical and biological warheads — but stopped short of declaring that the agencies were doing so because that would trigger sanctions. Russia gave no discernible

sign of concern.
As for China, America's new 'strategic partner." U.S. iotelligence has ample evidence that Beijing continues to support Iran's and Pakistan's missile programs.

Last month the State Department launched an investigation of whether China had provided the technology for Pakistan's new missile, which has a range of 900 miles (1,450 kilometers). Such help would violate the terms of the anti-proliferation Missile Tech-nology Control Regime, which China has committed to ahide by tbut which, significantly, it recently refused a U.S. overture to formally join), and would trigger sanctions.

Bet the ranch that the State Department investigation finds nothng but fudge.

The writer, a senior writer for the National Journal, contributed this comment to The Washington



#### LETTERS TO THE EDITOR

## Why the Euro?

Regarding "Does the Euro Spell End of Dollar's Domination?" (April 29):

The larger and more important question that should be posed is Why the euro?"

When one considers that Europe has enjoyed more than 50 years of peace and prosperity, the quescon of why one would want to upset the applecant is of more than passing interest.

At the heart of the euro question, as the article implied, is the political issue of contesting American power and perceived dominance, including the very real dominance of the U.S. dollar as the world reserve

Americans have little interest in the issue because Americans have little interest in domination. America may wield great influence, but "domination" is not the appropriate term. While the last 50 years may

have been tumultuous in some ways and places, for Europe this has been a balf-century of unprecedented peace and prosperity. Europe has enjoyed the protection of American military power via NATO. It also has enjoyed a special trade status with America, which continues to give Europe access to the vast U.S. market at

Europeans have been largely left to develop their eco-nomic power while America has bome the largest part of the military burden, spending trillions of dollars on worldwide defeose.

favorable terms.

Endless lines of white tombstones stretching across Europe bear witness to the commitment to peace and prosperity that Americans have made to Europe. Con-

sidering this enormous sacrifice of blood and treasure, it is strange and inexplicable that America is increasingly viewed by some European leaders as almost an adversary.

There is no question that Europe will have a single currency. While it may or may not be a good economic idea to unite the currencies of so many diverse economies and nations, at its heart monetary union is a political idea. That is unfortunate since it increases the likelihood that monetary union will turn out to be an economic disaster.

Americans should be watching this enormously important development with more than a passing interest - not for fear of losing "dominance" but because the success of the past half-century may well now be at risk. ROGER L. MARKLEY.

## Names and White Crosses On a Green Spring Lawn

By Kyle Jarrard

C URESNES, France — You go Ihere early on a spring moming, cross through the open iron gate and stroll out on the broad wet grass. To one side, two men push lawn mowers up and down the hill, and the low buzz of their blends

#### MEANWHILE

traffic on the street below, making an unsenling sort of roar. But then you stop listening to these things and begin hearing something different.

It is the sound of the names you say in your mind as you walk along the rows of white marble crosses. The names of fallen American soldiers: George Cody. Herman Bauer. Ashley Wilson all privates killed in the summer of 1918. It is also the sound of their home states: Maine, Indiana, Oklahoma. And the dates of death: July 10. Aug. 6 and again Aug. 6, which must have been a had day of war.

There are many names, and a number of nameless. In all, 1,541 who died in World War I are remembered here. It is a smallish place compared with, say, the Normandy cemetery in Saint-Laurent. France, where 9.386 of the dead of World War II are honored. But in both there are moments when you have to stop and look up at the sky.

Perhaps you visit these places in the autumn, on those days of falling light and leaves, ponderiog the uneasy end to the mayhem of World War I. Or perhaps you come in the spring, when chesinut blossoms snow on the lawns and the sun rides high, and think of the close of World War II in Europe,

53 years ago Friday. Some 8 million military deaths in the one, more than 15 million in the other, fantastic oumbers that tap like a drumbeat in the mind, Perhaps you look for a father, grandfather or great-grandfather here; or perhaps no one in your family died in these great struggles and you have come simply to pay your respects.

Then you look up and find yourself under a sleek old beech tree at whose base is a group of 24 crosses, each inscribed: "Here rests in honored glory a comrade in arms known but to God." A marker says these are World War

II graves, the only ones here, but there is no other hint of where or

when the men died. Farther on, more names, as birds sing in the newly flush trees: Ser-geant Clayton Griswold, Utah. Oct. 20, 1918; Private Henry-Oleske, Pennsylvania, Feb. 7. 1919, and under a Star of David. Corporal Samuel Greenstein, New

Jersey, Jan. 15, 1919.

At the far edge: Marian Henrietta White, Pennsylvania, Oct. 3, 1918 — a nurse. Had she had time to become someone's mother? There are no ages on any of the-graves here, but you know most

were young.

Then and again the eye stops a second longer as you pass the. marker of an unknown, or of a civilian, Salvador de Vegara. Spaio, Feb. 11, 1919, for ooe. -

There is no end to names: Private Henry Isaacs, South Carolina, Sept. 20. 1918; Seaman Claude Baker, Tennessee, Dec. 3, 1917, and Private Samuel Rosengarten, New York, Nov. 8, 1918. Each somehow sounds like no other name, Each rises for a moment not on the banlefield, not evenin uniform - hut in his other life, before all this, at a dining table with family, or walking with a brother in a field where no bullets fly, or standing on the beach and breathing in the salty air and think-.

ing of the size of the world.

So long as you look these names straight in the face, as it were, each remains unique. For when you turn and walk behind them, all become anonymous. Cut at an angle across the hill and the strict work of geometry is clear. patterns that mimic the oecessary orderliness of military life - even in death.

But it is some undefinable other thing that makes you see that these lines of markers don't end at cemetery's edge, that they stretch away from this quiet suburh of Paris and back through time, through all the men and women. who fell in wars, making strong. human lines of remembrance and honor and gratitude.

For an hour, maybe, you say the names. Then you return to the real world, clipped grass stuck on your shoes, noticing straight away how you can't hear any birds singing; outside the gates unless you really try. And then you can.

International Herald Technic



International Registrations Still Available.

## www.worldcongressl998.org

June 21-24, 1998 George Mason University Fairfax County, Virginia USA Phone: I-703-790-0304 or Fax: I-703-893-1269 email: jpoisant@worldcongress1998.org

When The Convergence Of Information **Technology Meets Consumer Demand** 



## YOU LIVE IN FRANCE?



 Also available: PAY MONTHLY by easy, low cost, direct debit.

EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE.

A cosmopolitum, comprehensive and concise newspaper delivered every day to your home or office. In and around most of Paris and Lyon the International Herald Tribune offers early morning hand delivery on the day of publication. Mondoy through Saturdoy. And, because it is printed in Paris, Toulouse and Morseille, it can be sent by post to arrive on the same day in most of France at no extra cost.

The result? Unique coverage of the world you live in, brought to you as it chonges - doily.

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department: TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS) or Fax: 01 41 43 92 10

E-mail: subs@iht.com - Internet: http://www.iht.com

## PAYMENT BY MONTHLY DIRECT DEBIT YOUR DETAILS

YES, I'd like to subscribe and have my bank account Family Name: debited monthly by FF162 Please start my subscription and send me a bank form to arrange my payment.

## PAYMENT BY CHECK OR CREDIT CARD

YES, I'd like to subscribe and pay for the following

☐ 12 months (+ 2 months free): FF 1,950 (Saving off cover price: 46%)

Special, 2-month trial subscription: FF210 (Saving off cover price: 60%)

My check is enclosed (payable to the IHT)

☐ Please charge my:

Access ☐ Amex ☐ MasterCard ☐ Visa ☐ Eurocard Credit card charges will be made in French Francs at

current exchange rates.

Please start delivery and send invoice.

Mailing Address: Home Business

City:\_ Pastal Code

Telephone: E-Mail Address:.

Your VAT No (Business orders only)

(IHTVAT Nº 747 320 211 26) l got this copy of the lHT at: ☐ kiosk ☐ botel ☐ airline ☐ other l got this copy of the III at □ Noon 1 and 1 are carefully □ l do not wish to receive information from other carefully 8-5-98

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your campleted caupon to: Subscriptions Director, International Herald Tribune. 81. Avenue Charles-de-Gaulle, 92521 Neuilly Cedex. Fax: 01 41 43 92 10 E-Mail: subs@iht.com FR14

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING: EUROPE, MIDDLE EAST & AFRICA

**Business Services** 

**Business Travel** 

YOUR OFFICE IN LONDON

Sond Street - Mail, Phone Fax, Telex Tel 44 171 290 9000 Fax 171 499 7517

1st/Husinese Class Frequent Travellers Worldwide, Lip to 50% of No coupens,

no restrictions. Impenal Canada Tel. 1-514-341-7227 Fax. 1-514-341-7998. e-mail lly Ø impenal consultants com

New Bost Botti Tom Toro

## THE INTERMARKET

**a** +44 171 420 0348

## RESIDENTIAL REAL ESTATE

#### FRANCE

In the course of the liquidation of the company (SA): SOCIETE HOTELIERE ET IMMOBILIERE DES PYRÈNEES

#### The "GRAND HOTEL" of SAINT JEAN DE LUZ

is offered for sale.

#### This hotel called "GRAND HOTEL \*\*\*\*" is located at

43-43 bis, Boulevard Thiers 64500 SAINT-JEAN-DE-LUZ

(Pyrénées-Atlantiques) For information please contact: Maître Marguerite DE THORE and Maître Jean-Claude PIERREL

Legal Representatives, 211 Boulevard Vincent Auriol 75013 PARIS (FRANCE)

Tei +33 (0) 1 45 86 55 00 and Fax +33 (0) 1 45 86 56 00 Date of hearing for deposit of all offers under sealed cover is on May 22th, 1998 at 10:00 a.m.

Tribunal de Commerce de PARIS

## COTE D'AZUR

Paradise. 40 minutes from the sea unique and exceptional size between the coast and snow covered mountains, for those who appreciate nature and calm. nure and calm. Superb 17th century bastide ou 50 hs. of land. 10 hs. of which are a magnificent landscaped gark, with rivers, lakes and waterfalls for with pleasure of grout and swans.
The exame includes 6 other houses and 15 old stone bridges, all in improved the condition.

Many extension possibilities Documentarion upon request Contact CH. JEANGILLES 20, rus Latour-Maubourg, 06400 CANNES, FRANCE Fax: + 33 (0) 4 93 43 51 95

**GREAT BRITAIN** 

#### ROBERT BRUCE & PARTNERS SHERBROOKE ROAD, 5W6

TEL NO: 0171 351 6767

A charming dble fronted period house recently modernised and decorated with a dble garage. hall/recp rm, din rm, clkrm, kit/din rm, 2 dble beds, 1 sing bed, bath, pat, rf terr, dble gar, gfch, £395,000 Freehold

#### **GREAT BRITAIN**

## OHN TAYLOR

John Taylor Estates Ltd. is privileged to be able to offer the former London home of

#### Diana, Princess of Wales

out of which she moved in July 1981 to live briefly at Clarence House before her marriage to HRH Charles, Prince of Wales. The property is within Colcheme Court, situated in South West London and is available for sale and immediate occupation.

188 Brompton Road, London SW3 1HQ Tel: 0044-171-581-5755 Fax: 0044-171-581-8999

#### Real Estate for Sale

Real Estate Consultants

CLUMPSTONE INTERNATIONAL PROPERTY CONSULTANTS Seeking a permanent or holiday home to buy or rent in the south of France ? Take advantage of Clumpstone's expertise. We take the hassie and arroiety out of your house hurting by pre-selecting properties lailoxed to your specifications. For full details phoner +33 (0)4 9377 7079 Fax +33 (0)4 9342 9908 Associated with Valbonne Immobilier

French Alps

MONT BLANC Near CHAMONIX, lacing arguille Verte, spendid chalet and surrounding properly. For lavers of autheratic mountaint FF4.300,000 Owner +33 (0)1-4550 3067 or wide Box 538. I H T , 92521 Neutlity Cedex, France

French Provinces

VAUCLUSE, superb basade, 1,000 sq m Vineyard, great views, perfect fct B&B FF2,950,000 Owner +22 (0)4 50293355

#### French Provinces

NORTH CHARENTE Deep in rural France, but only 2 1/2 thours from Paris on the TGV, Substantial MANOR HOUSE July renovated by an Principal of the second of the

DORIDOGNE, peer BERGERAC, 5 mins from busy Bastide village, architect superb 350 sq.m. converted barn and self contained cottage. Vast living 8 dining norms, 3 bedrooms, possibility more, containing to the processing and processing ing rooms, 3 peuticones, presently more, garden and summer rooms with covered and open terraces onto 12 m X 6 m swimming pool, sound, beautilib brees & open views all around, 2 6ha, FF CM. Tel +33 (0)6 53 22 30 97 English spoken.

CLOSE SENEVA. pleasant quiet country house with garden, 147sq.m.rl. 500sq.m. in nice willage in French Jura, 15 min drive from Geneva airport Relocation reason USS335,000 Call Mr Patimer 43 (0)4 50 42 28 48 Fax (0)4 50 42 07 23

FRENCH PYRENEES- Luchon area, HOTEL, RESTAURANT 2 STARS, (20 nooms, seas 70), PUBDISCOTEOUE Semmar room Exceptional ganorance Leek Tel 433 (0)5 61 85 65 48

#### U.S.A.

#### HISTORIC AMERICAN HOMES Lovely rural estate on great river

55 minutes to New York - 45 minutes to Philadelphia Very private. 2 large homes in mint condition. Large heated pool, hot tub, steam baths, very modern kitchens and baths. Maintenance free design. \$1,595,000 US Call Harriet: 212-554-9284 USA

SPAIN

South Beach's Hottest

New Condo Hotel &

Income Opportunity!

1 Bedroom . 139,990

FULLY-FURNISHED

Hotel Mgt. Co. will rent it for you

THE MERCURY

100 Collins Ave., (1st St.) Mismi-Beach, FL 33139

Phone (305) 534-9996

Toll-Free: 888-297-7417

www.floridaguide.com/mercury
Email: mercury@netrox.net
This offer is and where positional by law.

International

Herald Tribune

ads work

## PALM BEACH, FLORIDA



Mediterranean Lakefront One of A Kind 225' of Lake Frontage

LINDA A. GARY REAL ESTATE 205 WORTH AVENUE PALM BEACH, FL 33480 TEL: (561) 655-6881 FAX: (561) 655-2884

Retire to the

Algarve

Sun in the

and have

an income!

French Provinces

UNIQUE in STRASBOURG Close EUROPEAN PARLEMENT

Exceptional contemporary property: 400 sq.m. villa, 5 garages, 30-acre enclosed treed garden. Pool, summer latchen, vast terraces, HIGH CLASS FTTTINGS, Joint

house with 2 apartments & 1 studio Would suit Embassy ... Owner Tet. +33 (0)3 88 21 21 29 Fax (0)3 88 21 21 20

ST-REMY DE PROVENCE, beautiful authenic "MAS" hully equipped and fur-nished + pool, Delivery Oct. 1. FF5.5M, Tel +33 (0)4 90 92 10 83 Fax 1T 90

#### An impressive stone and stucco English

#### GREENWICH CONNECTICUT

**USA Residential** 

quality, levisity and lessessly convented. Large heated pool, elaborate positiouse, tennis court and got green with sand trep. Large heatedown reception room with frespect oil bord half. Secretal Jung with fireplace of bord hall. Bernial Jung man, 18 tool ceiling, formel driving room, both with fireplaces. Compisionly equipped showplace. Intohen. Breakdast room. Otenetic lamily morn, 4-car garage, certail ar conditioning. Luce master suite, 2 dressing morns, 2 balls, 4 additional fredmorns on second Soor Guest morn, exercise from, staff residence in that floor.

poor tipes most, beetage from season continues on third floor.

Expaise 2.9 acre setting, most rooms with tranquit view of Horseneck Pond.....Taxes - \$29,347.

Cieveland, Doble & Amold Corp...

Established 1990

Fetablished 1989

# VIRGINEA 110 miles SW of Washington, OC near Link, of Virgina at Wintergreen golf and six resort, beautiful 1932 Mountain ville, eacher and stone overlooking Streamatoch Valley. 4 bedroom suitex, 4 beiths, wonderful greet morn, gournet latchen, 2 story Bray, wine celler, 3 story six evalur and more. \$1,900,000 invested, offerted at \$1220,000. Speciacular value. Color brochure aveilable. Calr Jos. T. Sammels, Inc., Restore. Tel: (804) 295-8540 Fact (804) 295-9255

FLORIDA - FISHER ISLAND Bayside Beautyl Incredible Views, 3 bedroom/3.5 bath, blond wood

MYC CENTRAL PARK SOUTH 58th Se

Haterbort villa, built in 194 separate aperiments, total 402 sq.m.
Lot 1,000 sq.m./DW 430,000.A. HAGE INBACERLEN, Munchen Fax ++49-80-64 71 67

garden (300 sq. yants) in very auchaine South Delhi location, Write: P.O. Box 515, Riventate, MD 20736 USA.

#### haly

#### FOR SALE (or possible partnership) beautifully located

TUSCAN COUNTRY ESTATE 56 hacteres of which 6 hacteres DOCG vineyards. Main building (converted tredfond courty house) with their small outbuildings plus large, attractive, nave abrium building (unfinished), usseble as warny, cooling school, semirar-facility or stables.

Fex ++41 81 283 1233 or Tet: ++39 534 91801 (Mrs. Gagfarri)

PORTOFINO (Genova). Unique property Over 400 sq.m. villa on three levels which is currently being restructed by Archaect Vietli with 30,000 sq.m. of ter-cased properly reaching down to the sea. Call Mann Athate Exp. at 38 2 63381 or 10 ft 1

tex 39 2 653305 IN ROME HISTORICAL CENTER (Testaccio), fully furnished, equipped flat. fourth floor, no fit, sleeps three persons. Available for short rents as of ned June. 2,500,000 monthly. Tel: +39.333095; Fax: +39.333.6228; E-mail: peterpan@mix.ii

HOME-COLISEUM. Apartment with exrouni-contiscum, againstein with ex-ceptional and unique view on Colseum. Antique building, Living, dining, 2 bed-rooms, 3 baths, office, fachen, Furnished and decorated by lamous architect. A conditioned. Fax +33 (0): 47 04 42 61

ORVIETO: BEAUTIFUL PROPERTY INS lencal center, close to the Dorne, 900 sq.m. to be restored, 300 sq.m. garden. Protos and other bargains: www.homes calab.com. Tel. 06-3220500-3211700

VENICE - 2 bedrooms, 1 living bath, fi-ted blishen, Pleasand situation →F 111 Fax →33 ⋅0 ≈ 68 76 28 28

Manor on Lake Avenue near form is available for sale at \$5,650,000. Pre-war

Tel: 203-869-0865 Fax: 203-869-0647

floors, french doors, pure luxury. Fabulous Litestyle. Susan Gale Tet (305) 535-4107 Windshish Ribway Broker

A 1 SEDROOM 1,110 so 1 home! Surken living soom, 9 1/2 %. causes, oak floors (usery hotel Services) \$375K, 212-645-0350 Anita Michaela

Norway

#### Portugal

MONACO
APARTMENT WITH ROOF TERRACE
BESUIDA MODERN 3-room apartmeni, 98 so,m., high floor, 74 sq.m. roof lertace, near the harbour and the princess Grace Rose Garden, South West exposure, see view. Martise floor, palnied walls, equipped Michen, electrical appliances all included. Color & parting

AGEDI Real Estate Tel +377 9216 5850 Fex 8360 1942 hop/lyenseged.mc

#### Paris and Suburbs

Monaco

ST GERMAIN OES PRES Exceptional view Seine and Louvie, in prestigious XVIRI certary townhouse, 401 Boor, 23room degriex, specious lay-out, parking possible, caretaker, very rare charm. FF4,500,000 Tel (0)1 42 23 31 28 Fee (6)1 42 52 12 27

QUAI DES OFFEVRES, character duplex apartment, surry, on Seine, Living, fre-place, 2 bedrooms/dreasing, aguipped dichen + astic, independent bedroom, cellers, Exaptional confident. Owner [0]1

CANAL ST MARTEN & Budge Chaumon cannol, St marter a score collection area. Cheming 30 scm. studio, quist & surrey, Johy renovated, mezzarine, Amer-ican bar, scripped làchen, paneled behr-nom, 3rd Boor, door note, concierges. FF400,000. Tet 01.44.65.05.20

RUEL MALMAISON MEAR GOLF. High class ESTATE, kourrious Ritings, 350 sq.m. 5 bedrooms, healed swimming 1 900 som superb garden. FF 8.7%

Tet owner 06 80 07 02 26 (in Franch). FOCH, view, approximately 210 sq.m., 3rd floor, wood paneling, 4 bedrooms on gardem, Tet. +33 (0)1 45 53 58 35 or +33 (0)6 11 78 01 85

4th HISTORICAL MARAIS 17th cent. building, 120 ag.m. duplex, sessivest exposure. Exceptional and rare character. • URGENT Tet. (0)1: 42 33 24 28

EXCLUSIVE PROPERTIES FOR SALE: Tell me what you want, I will get it, Nerces-Tel/Fax: +33 (0)1 39 65 76 88 SPECTACULAR views, 3 terraces, 1700

cent, 2-bedroom perthouse. Les Halles -RER Roissy. FF1.SM. Tel: (0)140139973 Spain

Hotels

MALLORCA. Linuxious 6-bedroom villa with extraordinary sea views. Totally se-cluded with 30 acres. £500,000. Inqui-ries: +3471-T17874 Fax: +3471-724308

Dramatic 420 sq.m. villa. Surming visits Silver Castle, Cathedial, Mondhique Mountains, Sel in 8,460 sq.m. cities, Mountains, Set in 6,460 sp.m. offver, oranges, almonds, Large good, 4 backs, 3 baths, seri-contained restailiguest apartment. Near beaches/golf but avoide lourists tides. Company owned saving 10-12%. Monfiveled gater leaving Portugal, US\$ 335,000 or equivaplent.

Tel/Fex 351,62,442644

AL GARVE

Switzerland

Attractive properties, overlooking views
1 to 5 bedrooms, from SFr 200,000
REVAC S.A. 52, Monthellient CH-1211 GENEVA 2 4122-734 15 40 Fax 734 12 20

VALAISAYALLIS-20 mins CransMontana Exchisive architect built chaletivita all contests, caim, close all conveniences. Magnificant open new Phone valley, en-ter moratien chain till Methyrhom. South side, stalgoti, 229 sp.m. living space, 1,075 sp.m. land. Selling private reasons SP855000. TeVFax +33 (0)4 7838 0823

FOR SALE BY OWNER, Exceptions

FOR SALE BY OWNER. Exceptions these standing chelet for 810 persons with garage, garden, terrace. Total 1117 sq.m. Sumny outskirts of ski village in Savogrini, Graubunden, Switzerland. Price SF600.000. Tel: +32 2 346 54 55 DELUXE APARTMENT GENEVA, Tran-chees, about 400 aq.m. in "hotel panicu-Ber" + shaped garden. Tel: +41-22-3472443 after Bpm, Fax +41-22-3461896

Real Estate Time Sharing PARIS/PORTE VERSAILLES sei lu

ous studio in "" residence; and of July. 1 WEEK, FF19,0000. +93 (0)1 45336692 Real Estate

Holland

for Rent

RENTHOUSE INTERNATIONAL No 1 in Holland for (semi) humished houses/flats. Tet: 31-20-6465908

ROME TRASTEVERE, SANC furnished apartment, twin living, bedroom leacher-dining, bedroom, \$1000 monthly

Paris Area Furnished

AGENCE CHAMPS ELYSEES Furnished apartments, 3 months or more. or unternished, residential areas, Tel: +33 (0)1 42 25 32 25

Fex: +33 (0)1 45 63 37 09

ST. GERMAN-DES-PRES, studio, ques, elevator, lop security. A months adol-mum. FF3,650 citarges included. Tet +49-241-15 16 25

AVENUE MONTAIGNE - Luxury spart-ment, high security, 76 sq.m. 6 months min. Tet.+33 (0)1 47 20 56 06. SUMMER & WORLD CUP RENTALS; Studios, 1-2-3 bedrooms, week/monts. From \$900/wk. Tel/lex +33 (0):145554458

MADRID. Gracious Twing. 9 beloonies Facing Retiro Park in noble building. 280-sq.m., 2 graeges places. 385,000 Pesa-tas. Tel: 91 - 532 37 71

Switzerland

GENEVA, LUXURY FURNISHED ADMImonts. From studios to 4 bedrooms. Tet +41 22 736 6320 Fex +41 22 736 2671

USA . .

NYC FURNISHED APARTMENTS, 1 week to 1 year. Great Locations. Call Pat/Chicut: 212-448-9223, Fac: 212-

Real Estate Wanted/Exchange

seeks comfortable 1 bedroom flat for 2 years starting 1 July '98, Zone 1 or 2. ++41 227912353 office hours.

## HOLIDAYS

#### Children's Summer Camps CAMP BEAUMENT **ACTIVITY HOLIDAYS** for Children & Teenagers PERSONAL AIRPORT PICKUPS Friendly experienced staff Centres in Norfolk,

Staffordshire, Isle of Wight & France Camp Beaumont Overstrand Hall, Norfolk NRZ 0JJ

TEL: (+44) 171 724 2233 (24hrs)

#### DISCOUNT TRAVEL



Sheraton Plussed Hotel, in charming lauray Hill at 37th & Park is just steps away from the best of Manhattan Week-

MANUTATIAN - MY - PRIME afforcible athactive apartments and quest rooms Tel 212-712-9167 Fau 212-712-9166

TELECOMMUNICATIONS

New Lower

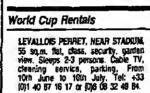
international



Bed & Breakfasts

AN URBAN BED & BREAKFAST. The end rates with continental breaktast from \$199 For reservations 212-685-7678

#### eir conditioning and mini bar. Half board: from FF650 to FF750. Tel: +33 (0)4 94 64 04 27 FOX: +33 (0)4 94 64 66 20



COTE D'AZUR - PROVENCE

NEAR SAINT-TROPEZ

83240 CAVALAIRE

Wonderful Outlook, adjacent to the

seo Swimming pool - Jacuzzi -

Tennis court, Rooms equipped with safetitle TV,

\* Restourant of La Colung

Holiday Rentals

## Caribbean

CARIBBEAN VACATION VILLAS & HOTELS · on ST BARTHELEMY, FWIL & other select Cambbean Islands. FW1, 8 other sericl Cambrean Islants. Great purpmer packages! The best villas in the best locations. Also Jovely villas in tally. France & the English countryside. Our agents have inspected all villas & horles personally. WhiteCO/SIBARTH - www.self.com/-winco. U.S. 1et-(401)849-8012/fax. 847-8290. Itom FRANCE 0 800 90 16 20

#### RENT A BEAUTIFUL PROPERTY

FRENCH RIVIERA RENTALS

on 10 ares in the South of France, near SAINT TROPEZ and beaches, 700 sq.m., very luxurously furnished, 5 bedrooms, 5 bathrooms, large swimming pool. May, June, September: FF115,000/month July or August FF250.000/n

Please (all Mr. Hagen on +33 (0) 6 71 39 52 22.

#### French Riviera

FRENCH RIVERA/Sahri-Paul-de-Vence, FRENCH RAYELMASain-Pau-de-Verce, chaming village house fazing south with sea view, 1 doubte bedroom, 1 bath-room, drang room, living norm with soft-bed, hully equipped letchen, associous root terrace, 20 min from Nice seport. Aveil-able June, second half of July, and Au-gust. \$900 per week. For further details call +44 171 458 4898.

CAP D'ANTRES JUAN - Near beaches. Outstanding villa with pool. Sleeps 7, 4 bedrooms, 2 baths. Air conditioning, garden, betteg, April 10 Oct. Tet. winer +33 (0)433616021. Fax: (0)493617863.

## Great Britain

BRENTORD WEST LONDON Large flat. skiet vokarers, kamiks & educational groups. 8 single rooms, 1 kitchen, show-ers, WCs, good transport to center Avalitable. July-September | Flent £700/meis, Tet 0181 450 9858

NHIGHTSBRIDGE, MAYFAIR: Selection of boury service hals 2 weeks-3 months From 2575 weekly. Fax: 0171 937 0058

## Italy

15 MIN AWAY FROM OLEIA AIRPORT. 22 mm AWAY FHUM ULSM, AMPURI, 2,000 sq.m. villa, 300 ml, from the besch. For ranz July 10,000,000, August 15,000,000, September 10,000,000, Con-lact Mrs Alvigini 39 335 6601401

Paris & Suburbs

ST Germain des Pres, elegant, surmy 3 bedrooms, 3 beths, JUNE 15-JULY 15. US\$3,500/wk. Tel +33 (0)1 45 48 82 10 57

TLE ST LOURS, studio + lot. Bright, quiet, view, sleeps 4, 5975/wk or for world cup \$1.975/wk. Tet: +33(0)156249073 5 MINS CHAMPS ELYSEES, July to Oc-

lober, 2 bedrooms, 1 bath, sun/bright, \$1.500/morah NET, Tel +33(0)140701006

U.S.A. BREATHTAKING VIEW OF NEW YORK, 20 ft glass wall: Central Park & City.
Lucuriously lumished: piano, fax, cable ideal for business-musicians-tourists Near Carnegie Hall, Lincoln Center, Theaters & Shops, Short or long term. Tet 718-548-9388, Fax: 718-884-4142.

## See Safurday's Intermarket for Arts, Friendships, International Meeting Point, Nannies & Domestics

DIVORCE IN 1 CAY. No travel. Writt-50r 377. Sudbury. MA 01776 USA Tet 978/443-8387. Fax: 978/443-0183

Next Special Heading

REAL ESTATE

IN & AROUND PARIS

ON MAY 15

For more details please contact:

INTERNATIONAL

HERALD TRIBUNE

in Paris

Tel.: +33 (0) 1 41 43 93 85

Legal Services ·

#### To advertise contact Sarah Wershall on +14 171 120 0326 or fax +44 171 120 0338 A GREAT DEAL HAPPENS $p(h(t), t^{2n-1})$ AT THE INTERMARKET



MAIL ORDER

## **Hurry!** New season catalogue available **Now!**

Kays - Britain's favourite catalogue

#### The latest fashions direct from the U.K. Competitive prices offering excellent value K-fax offering 24 hour service • Special offers throughout the year

Kays on the internet: http://www.kaysnet.com, E-mail: kaysoversess@gusco.com you a C7 thepping whether for use with your January/June catalogue. We accept payment by bank draft, personal chaques drawn on a UK account, international maney ander, pessal order or crudit card.

end any postal contribution of \$7.00. Or debt the sum of \$7.00 trace my Manage Card . When . Assertion Express . Shotton . Delta . Other .

Switch lease No. \_\_\_\_ (where applicable) expiry date \_\_\_\_ / \_\_\_ / \_\_\_\_ / Card No. Key & Commery Lindage Coursess Dept. Hartburks Avenus. Buctourne Worcanier Wille 1GA. Engine



INVESTMENT IN SWISS REAL ESTATE NEW LEGAL OPPORTUNITIES FOR

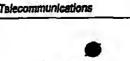
Societé Phinée de Gérande in Gerana. Switzesfand, Tél: -41 22-849 EESC Fazo 41 22 849 6104 E-mail. scylinter (Espojot)

## **Business Opportunities**

**OFFSHORE** 

Tet +44 (0) 1624 626291 Fax +44 (0) 1624 625126 E-Mail asson@enterprise net

OFFSHORE COMPANIES. For free bro-dium or advice Tel Lordon 44 181 741 1224 Fax. 44 181 742 E55815232



ATTENTION CALLBACK RESELLERS

Globellet, a lour-year cid Int. Califack Co wath Soom US cable TV power Co-socks established resellers for its int Califack Witchesia program. City experienced providers with existing traffic need apply. This is for serious players locking to expend their product and and impresse their interprets that Total-Free debt carbs, private line, calback and carbing certains. Complete cackage with more calbacking and bitter Control Karon. rates, platform and bittery. Cortact Karen via far (610) 525-8610 or e-Mail

International Tel New York: 1 718 433 4005 Herald Tribune Fax New York: 1718 433 4009 ads work

## Financial Services

Rates! France..... 27¢

Italy..... 34¢ Japan..... 36¢ Singapore.. 33¢ UK..... 17¢

## • 24-hour Multi-lingual **Customer Service kall**back

Instant Activation

· NO Set Up Fees

NO Minimums

Tel: 1,206,599,1991 Fax: 1.206.599.1981 Email: Info@kaliback.com www.kallback.com

International

Company Tel Paris: +33(0)1 48 13 01 02 Fax Paris: +33(0)1 48 13 07 08 Tel London: +44-181-965 8733 Fax London: +44-181-965 0249

FUNDING PROBLEMS? SOLUTIONS

BANCOR Bankable guarantees to secure lunding for viable projects:

> Long term collecteral Fax: (632) 810-9284 Tel: (632) 894-5358

(Commission carried only upon Funding)

Brokers Commission Assured

**VENTURE CAPITAL** 

**EQUITY LOANS** 

REAL ESTATE

PRIME COLLATERAL INSTRUMENTS ture Capital Finance Avolutile Foverment Projects and Government Companics that are for sale.
Large Projects our Specially
Also, Long Term Finance for
Large and Small Companies
No commission Unit Funded

Please stoly in English VENTURE CUPITAL CONSULTANTS iovestment bankers 16311 Ventura Bird., Suite 999 Encino, California 91436 U.S.A. Faz Ho.: (818) 905-1698 Tel: (818) 789-0422 Hotano Sr Assoc Della OG Leggist

#### Moving

MLLIED ARTHUR PIERRE

Paris +33 1 34 75 92 92 www.affedinti.com

DIVORCE 1-DAY CERTIFIED Call or Fax (909) 922-3615 Write: 16787 Beach Blvd. #137. Huntington Beach. CA 92648 USA e-mail: dworce@spr/nel.com

> PARIS 5th MAHARAJAH view India 200m. from Notre-De lectrices perceding, sir-conditioned, solons, mercure 58 F flunch) 127/169 F, corte 150 F 72, hd Sr-Germein, TLJ, 01 43 54 26 07

 $\mathbf{v}_{\mathbf{k}}$ 

#### Fax: +33 (0) 1 41 43 93 70 E-mail: classified@iht.com

CHEZ GANDHI led for top gastronom Guides of France "not to miss"

PARIS 68

air conditioned 41, roe Doughine

E 01 44 07 08 06 - 01 43 29 01 29.

KERVANSARAY

Turkish & Int'l specialises, Johnson be rest seelood restourent, 1st floor. Mehlerstel Tel.: 5128843. Air conditioned. 80m. Opera-Open holidays.

7.

# Spruced-1

PARINAL III RALLI TRIM VA

Marine House The state of the s  $\mathbf{1}, \dots \cdot$ 

Evi

. 2025 ` ----A172-65 100 A 1 . 10 Sec. 27. 25

16.00

14E.

3,500

VOTE :--

15/1:

Erwin.

TE T

en ietr

20214

BELL ...

Title -- 1

EYENTS

1: 1

V ....

45.

5 225 · · ·

14**3**2 \ 7 : .

 $293 \pm 1$ 

ASSET

ಡುದ್ದ \_

455.

----Z., :

\*

200

÷....

:45E-

-2t- .

-12-

.....

ie.

al said

Turk of the

1 1 1 m

Special Control

10 mil 2. 1

1.72 17. 15

Laibed in I . ..... ATTIVE A VAMO DE lety 3 | ng

1 Los Belles Comments 1.55

. . . 12 . . Yet N Impenso at Beleen.

1000 Value of Mines The last of the la te life of M The water and A Carelle Land Comment C-

See hands to feet a market de Comer to de Comer Statement of the state of the s And the state of t

Apply partitions of the same o the had a draw in this bear open for only sedeolder and the second antheology prime and statement of the st

Tolled the course there are had all the course of the property of the course of the co Clabella par and another and the country of the country part is a series of the country part in the countr

See Such other content and another in the such other content another in the such other content and another in the such other content and another in the such other content and another content another c hand the bar, The whiches Colves like the arrists stands The bar bas the most one arrast, startice photographs of Picasso With the photographs of Picasso With there of its the Secret where we Shall perfent Picesso with and slope statue of Pi-

100110150

For information pack Fax: 00 35189399420 Greece NAXOS ISLAND, 8,648 sq.m. grounds

contening seasons (can be divided in 2 loss). FF2 million. Tel: +30 93 312 319 Fex +30-1-5750 507 Tel: +30-1-5726 756

Why not self your house, take early retirement, play a little golf at Quinta or Vale de Lobo (5 mins away) and

enjoy an income of around £20,000 a year, Live m one of the houses in summer and let the others. Quinta de

Lopes is an old farm complex just minutes from the sea.

Offers of around £350,000 will be considered.

sing of six houses - 4 pools & a squash court.

Indla NEW DELHI-Avellable Immediately. Specious 5 bedroom house with beautiful

French Riviera ST-PAUL-DE-VENCE Owner sells newly built stone house 320 sq.m. on 3000 sq.m. (reduced texation), pool beautiful trees view on St. Paul

Please phone origina ++41 22 839 3040. Fax ++41 22 839 3050

DISTINGUISHED RESIDENCE 270 sq.m.-1 he pool-spa-alroun Fax: 617-536-5225 U www.aginmobiller.com NEAR CANNES. Superb 600 sq.m. ville, 14,000 sq.m. park, swimming pool, tennis. Breathfaking sea & mountain

ewn. For sale or rent. Tel: +33 (0)1

4825 2450. Fax: +33 (0)1 4110 9359.

HAUTS DE ST PAUL . dominante estate, 300 sq.m., 2,600 sq.m. park. Pool, with independent apartment. FF4.8 negotiable. LVC TeVFax (0)4 93202244

Greece MYKONOS ISLANO - "Agios loannis" 50 M from the sea, exceptional sea were, 4 new houncus fourses 144 - 174 sq.m., 1,000 sq.m. garden each, 4 bed-rooms, 2 baths, 2 lwing rooms, freglace Price USS 250,000 - 255,000 - 31,000 4 weigning and list required. Tol. swimming pool is required. Tel +301 6859923 Fax 6846681 (Attents)

GREECE, land for sale 1 000 sq.m near Rafina, 1 km from sea, 27 km from Athens rescienced area, Euro 103 000 Tet 433 fült 45 80 07 62

## **GENERAL**



Payment by all major credit cards 100 2245; fax +44 1905 615233

wherever you are in the world - Kays are never far away

YOUR OFFICE DAMEDIATELY

AVAILABLE IN MILAN AND ROME TEL 39-2-46712278 AND 39 6 8543241

OFFSHORE BANK in Caribbean banking

center - US 575 GO Clurk transfer Carson Registered Agents, Inc. Tel: T02-883-1944, Fax. 702-853-0057 USA

**Business Opportunities** 

Offices for Rent

Please rush e new Kaya catalogue to: BLOCK CAPITALS PLEASE

**Business Opportunities** 

Comprehensive Services

ASTON CORPORATE TRUSTEES LTD

Globe Net

Six-Second Billing ATAT Quality

417 Second Avenue West Seattle, WA 98119 USA MOVING

> Moving REPRESENTATIVE Needed to act as Leason

## THE PROFESSIONAL MOVERS 100 YEARS OF

PROFFESSIONAL MOVING!

Legal Services

PARIS 6th

**DINING OUT** 

Yugaraj ou can sample the spiry, aromatic tendeser dishes that are becoming rage in France. Treasurer's 97" (oir conditionsed) 14, rue Douphine. 7: 01 43 26 44 91

LE BILBOQUET A jour temple since 1947
At the beart of Soun-Germain-des-Pris
for direter or a direk.
Gestvenenical sector of a reasonable price.
13, rue Saint-Berroit. T. 01 45.48.81.84. VIENNA

Noon-3 p.m. & 6 p.m.-1 a.m., except Sunda

· 777.2 . 11. "-" 1 7 75 aratei gi 1000 TA VERY 12.22.5

> 1.1.53 . . . . . . . 3 7 W . .....

- 24

..... A.

formula on June premiete of the air ser to manie by the both at 10 PM, a Coter's Grand A

Ightlife: Drink

Section P. Section 1

A 11 Parts of the Control of the Con

DCM BORNEY 111,000 permana arening. he quality in

Heu Alak St. L Chic Crite Piff:

T*ent* And: Ook! Seat

+44 171 420 0348

·wd on hed ish-

ı. Zith

ais-uth

zrz:

ans

on-

. of self

en-un-

yub

le

17-

day

nto

ard

ıeir

uily and aki,

self

ast

aid ts''

Гbе

:ig-

ap-un-

1еіг 1*Р)* 

S

the

day iad

ire-

n a

this

iina

:rs)

the

R5

ute av-

ing und she

om

ess bill

aoi

the

an

the

. it

æn

ys-

ore

## 'A Spruced-Up Lisbon Gets Ready to Launch Expo'98

By Marvine Howe

ISBON - In honor of that intrepid seafarer Vasco da Garna and his journey to India 500 years ago, the Fortuguese have organized celebrations the likes of which have never been seen in this onetime imperial capital. On May 22, Lisbon opens the gates to Expo '98, with a record participation of about 150 countries and the theme "The Oceans, a Heritage for the Future."

During Expo's four-month run, visitors can discover the beauty, riches and challenges of the seas through scores of exhibits. There will also be nautical competitions, daily multimedia shows, live entertainment and food from around the world.

The industrial wasteland on Lisbon's eastern side is being replaced with new residences and businesses and, of course, Expo — 150-acre (60-hectare) fairgrounds with international exhibits, a riverside esplanade, exotic gardens and a panoramic cable car along five kilometers (three miles) of riverfront. To avoid a posi-Expo ghosi town, the main pavilions will be turned into cultural sites, like an aquarium, science museum and theater.

Expo has parking for 17,000 vehicles. but the public is urged to use bus, subway, train or taxi to the new Oriente Station, which rises like a forest of steel and glass near Expo's eastern gate. There will also be regular ferries from the Cais do Sodre river terminal.

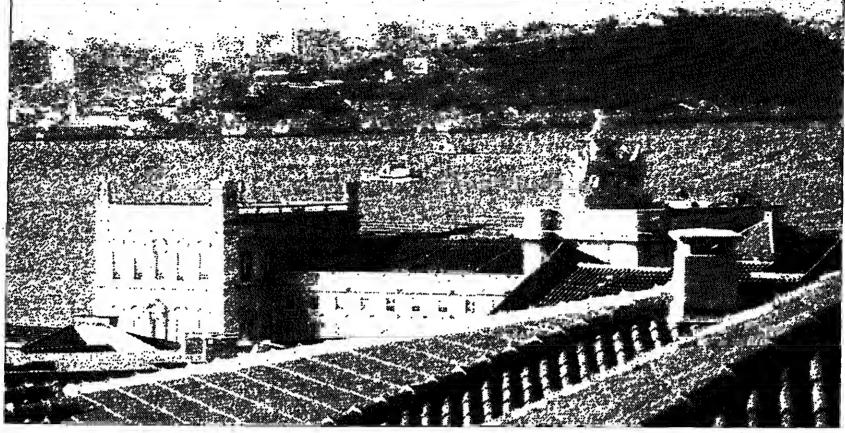
Also on the eastern periphery, the new 17-kilometer Vasco da Gama Bridge over the River Tagus connects with highways to the Algarve and Spain. On the northern ring, Colombo is one of Europe's largest shopping centers, bonoring another great explorer. It includes 425 shops. 10 movie theaters and an amusement park.

All around the city, ancient monuments and neighborhoods have been refurbished and new green spaces planted. But the new highways and Metro stations are a maze of works in progress, causing dust and delays.

#### PLANNED EVENTS

Each day of Expo '98, from May 22 to Sept. 30, its showpiece event, a multimedia program called "Ocean Myths and Legends." will be presented at the giant Utopia Pavilion at noon, 3, 5 and 9 P.M. People in sea-monster costumes will provide street shows all day long and incredible-looking water-theme machines will parade around at sunset. Artistic and folk groups will perform at the Dock Amphitheater and other open areas in the late afternoon. Small ensembles offer fado, jazz, classical music, hip-hop and rock at a dozen open-air tages starting about 8:30 P.M. Evenings close with Midnight Tea. an open-air disco from midnight to 2 A.M. The fairgrounds themselves are open 9 A.M. to 3 A.M. daily.

International performers are scheduled every evening. On June 5 the Vi-enna Symphonic Orchestra will present a Johann Strauss program at the Camoes Theater at 10 P.M. The Greek Art Theater will perform "The Birds" by Aristophanes on June 11 at 9:30 P.M. at \$17; Telephone: 361-2400.



A view from the Moorish quarter of Alfama, which has been rehabilitated along with ancient monuments and neighborhoods around Lisbon.

the Dock amphitheater. Free tickets are available at the national pavilions.

Expo's scafaring happenings begin early. Set for May 24 is the finale of the Whitbread 'Roundthe-World Race, with 40 vessels that sailed from Lisbon in early 1997. On July 25, about 120 tall ships in the Cutty Sark Tall Ships' Race start to arrive in Lisbon for the Vasco da Gama Memorial International Regatta July 31 to Aug. 3. A ticket for Expo '98

good for one day and An Expo 98 pavilion. night is \$28; a one-night ticket good after 8 P.M. is \$11. The

three-day pass is \$70 and three-month pass, \$285. Children 5 to 14 and people over 64 pay half price. Telephone: (351-1) 868-0426; fax; (351-1) 868-1800. Many cultural events will coincide

with Expo. The Sao Carlos Chorus and Portuguese Symphony Orchestra will perform Bellini's "Norma," with Sharon Sweet, on May 19, 23, 16 and 30 at Sao Carlos Opera House, 9 Rua Serpa Pinto. Tickets: \$20 to \$45: 346-3914. fax 343-0613. Les Ballets C. de la B. from Belgium

will perform "They Feed, we/Eat, Eat, Eat," choreographed by Van den choreographed by Van den Broeck on June 19 and 20 and the premiere of the dance-drama "Bach," set to music by Bach, on July 1, 2 and 3, both at 10 P.M. at the Belem Cultural Center's Grand Auditorium, Praca do Imperio at Belem. Tickets are \$5.80 to

The Royal Concerngebouw of Amsterdam, conducted by Sir Colin Davis, will perform the Overture to Berlioz's "Benvenuto Cellini," with the pianist Maria Joao Pires playing Chopin's Concerio No. 1, on June 25, and Berlioz's 'Damnation of Faust' on

June 26. Both programs begin at 9:30 P.M. at the Coliseu dos Recreios, Rua Portas de Santo Antao. Tickets: \$28 to \$85; 796-6306. Bizet's "Carmen," directed by Giuseppe

Raffa and starring Dulce Pontes in the title role, will be performed July 1 to 15, nightly except Thursdays at 10 at the Campo Pequeno Bullring, Praca de Touros. Tickets are \$20 to \$170: 303-3113.

#### SIGHTSEEING

The main attraction at Expo is the Oceanarium, one of Europe's largest aquariums, designed by the American architect Peter Chermayeff. Visitors are surrounded by re-creations of environments of the Atlantic, Pacific, Indian and Antarctic Oceans, culminating in a Global Ocean.

The Portuguese pavilion, overlooking Olivais Dock, will recount the country's long struggle to master the seas. Other pavilions will provide interactive experiences. Germany will offer a virtual journey to Oceanis, an underwater station equipped with the latest marine research technology. The U.S. pavilion

is a showcase for American technology in diving, charting the ocean bottom and protecting the deep-sea environment. By the river, a huge abstract wave of stainless steel will be inscribed with the names of Portuguese-American con-

tributors to the project.

Expo has provided the inspiration for renovation projects in neighborhoods and landmarks throughout the city. Sao Jorge Castle, atop Lisbon's highest hill and dating from Roman times, has been restored, and now includes a giant periscope (see all of Lisbon for \$1.70) and tourist information office. The castle, opening onto Rua Chao da Feira, is an oasis of shady terraces, towers and ramparts around the old palace, used for official receptions, a luxury restaurant in the walls, and soon an esplanade café.

The surrounding medieval neighborhood of Castelo, a jumble of tiny houses with iron balconies and patios but no modern conveniences, is being rehabilitated. Down the hill, the Moorish quarter of Alfama --. with its orange tile roofs, cobblestone alleys and flowering balconies — has also been spruced up. Near the 12th-century Se, or cathedral, the old customhouse has undergone major work and will open in mid-June as the Fado Museum, dedicated to the singers and their way of life.

The Baixa, or downtown area, a lovely ensemble of 18th-century offices, banks and shops, is also getting a face lift. Praca do Comercio, a handsome square of bright yellow government buildings facing the river, is no longer spoiled by a parking lot. Historic buildings like Dona Maria II Theater and the 18th-century Cafe Nicola have been restored.

Reconstruction is almost finished in the Chiado, the city's most fashionable shopping neighborhood before it was devastated by fire in 1988. The new Chiado Museum for Contemporary Art stands on the site of a 17th-century monastery.

Belem, a western suburb, is Lisbon's monument zone. The 16th-century Jeronimos Monastery and Belem Tower Times.

bave just undergone repairs. Nearby the Monument to the Discoveries, built in 1960, bonors Prince Henry the Navigator. The vast fortress-like Belem Cultural Center, built in 1993, offers music and dance programs and art exhibitions. A new grassy esplanade runs along the riverfront from Belem to Alcantara, where decrepit warebouses have been converted into cafés, restaurants and discos.

The National Museum of Azulejos, 4 Rua Madre de Deus, 814-7747, has marvelous decorative tiles.

OTEL reservations promise to be difficult during Expo. and prices higher than normal. Only one hotel is open on the Expo site: the Oriente; telephone: 893-0000, fax: 893-0099. A double room is \$160.

Centrally situated, Hotel Eduardo VII, 5 Avenida Fontes Pereira Melo 353-0141, fax 353-3879, has been remodeled. A double is \$125 with breakfast.

Away from downtown, the renovated Hotel Lisboa Penta, 726-4054, fax 726-4418, has views of central Lisbon and Monsanio Park. A double is \$90, with

Hotel Amazonia is also outside the center, in the quiet Amoreiras section near the 18th-century aqueduct. A double is \$100 with breakfast. Telephone: 387-7006, fax: 387-9090.

About 80 restaurants and kiosks inside Expo will offer a range of cuisines and prices. At a Turkish restaurant run by Istanbul's Divan Hotel, specialnes include sea bass in parchment and dinner for two with wine is about \$50. Portugal's Panoramic Tower has spectacular views to accompany local favorites like coloplana of steamed pork and clams for \$68 to \$114 for two.

In the Chiado. Cervejaria da Trindade, a popular beer ball in a former monastery, specializes in beefsteak but also serves grilled sole and other fish. Dinner for two with beer or wine is about \$22.

For Old World gilt, mirrors, crystal chandeliers and attentive service, the place is Tavares, 37 Rua da Misericordia. Specialties include stuffed crab and duck with prunes. Dinner for two with wine, \$75.

Popular with the diplomatic community, Ja Sei!, 202 Avenida Brasilia in Belem, serves high-quality Portuguese fare like roast lamb with thyme sauce, with a terrific view of the Tagus. Dinner for two with wine, \$60.

Morvine Howe, a former New York Times correspondent, wrote this for The

# Nightlife: Drinking With Picasso A Cozy Bar in Spain Keeps the Artist in Its Sights

By Al Goodman

A CORUNA, Spain - Most people associate Pablo Picasso with France, his home for most of his life, or Malaga, his Spanish birthplace on the Mediterranean, or Barcelona, the cosmopolitan city where he painted as a young man before moving to Paris.

But Spain's charming port of La Coruna also lays claim to Picasso. He lived bere for nearly four years as a boy when his father took a job teaching fine arts, forcing the family to leave Spain's warm Mediterranean coast for its rainy morthwestern corner by the Atlantic.

Yet while Paris and Barcelona have Picasso museums, and Malaga plans to open one by next year. La Coruna's homage to the artisi is far more subdued. There is little more than a dark stone plaque marking a balconied apartment building at 14 Payo Gomez street. Picasso lived there, on the third floor, from September 1891 to April 1895.

But just a few blocks away, another place in town manages to keep his memory alive nightly from 8 P.M. to 3
A.M. It is a cozy bar named Picasso.

The artist never had a drink in this

locale, which has been open for only 12 years. But in that time, Bar Picasso has helped to shift the city's prime nightlife away from the oldest central section to a newer neighborhood, with slightly wider and straighter streets, near the graceful Orzan oceanfront promenade.

Bar Picasso, at 19 Sol street, was among a bandful of bars in the Orzan district in August 1985. Now there are dozens. Around the corner from Picasso, on tiny Calle Ciega, one bar is devoted to jazz (Filloa bar) and another to vampires (Crapula bar, meant to sound like Dracula). On Calle Juan Canalejo, Cisco and Garibaldi are a pair of chic late-night discotheques, almost

next door to each other. But Bar Picasso, like the artist, stands out in the pack, and not just for its blackind-white photographs of Picasso with his emblematic, piercing gaze, or the little cardboard and stone statue of Picasso, by a local artist, that stands be-



bind the bar, seemingly ready to serve

fine whiskies. The bar has developed an artistic theme of its own as a nighttime art gallery where young artists display and sell their paintings. The dozen brightlycolored still lifes and landscapes by five local women were priced at 12,000 to 40,000 pesetas (\$80 to \$270) on a recent

evening. The quality would not cause Picasso International Herald Tribune.

art dealers to worry about the competition, but the bar has nonetheless gained a faithful following. A waiting list has artists waiting for more than a year to show their work in an exposition, which lasts for three weeks. Clients typically do not buy on impulse after downing a stiff drink, but return several times before deciding to make a purchase.

The art motif is not surprising given

the tastes of the owners, Juan Flores, 36, and his older sister, Elisa. She runs a local academy, called The Painted Moon, that teaches children about painting.

Juan, nicknamed Cano, also has an artistic bent. "I like everything related to art," he said, "but I never got beyond taking photographs."

Their nightclub occupies a storefront formerly used for the family's fresb fruit and produce business.

HE serpentine bar, topped with black stone and adomed with a brass rail, is stocked with a respectable selection of liquors. A rum and coke, or gin and tonic, costs 500 pesetas. In a welcome rarity for Spanish clubs, coffee is served throughout the night, for 200 pesetas on weekends and slightly less on weeknights.

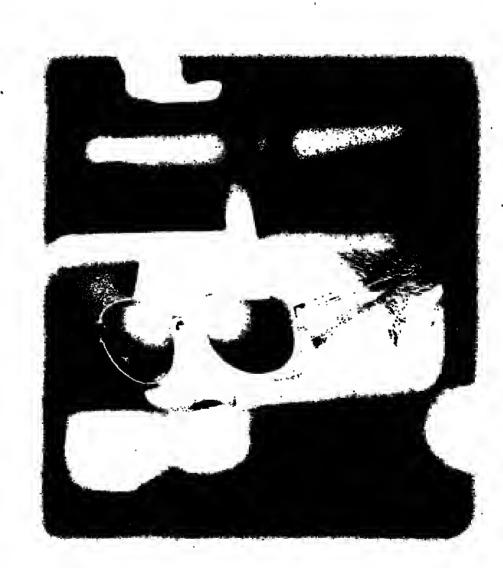
The rectangular locale has six tables, nine bar stools and plenty of standing room. The varied music is enough to cause a smile, because the stack of LPs and CDs played on any given night include some old dandies like the Crosby, Stills & Nash album with "Marrakesh Express." It was released in 1969, four years before Picasso's death.

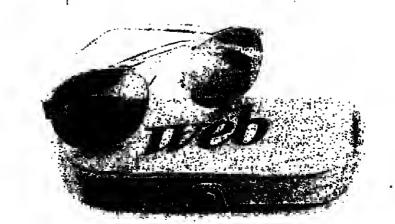
The bar's ambiance makes it most

appealing to the 25-to-50 set, and Cano is unabashedly pleased that the youngest nighthawks prefer other establisbments. "It's calmer for everyone," he said. "They hreak a lot of things." That might not sound like the full

vanguard spirit of Picasso the artist, but Cano and his sister have designed a clever enough combination to make the Picasso bar a warm, inviting option on a chilly night in La Coruna.

Al Goodnian, who writes for The New York Times from Spann, wrote this for the





Open hinte

there

Gem

Моу

chan

migt

mon'

tennı

Win

soll

Beck

Ke

Inter

Lazi

coul

year off l

forr

mil

in (

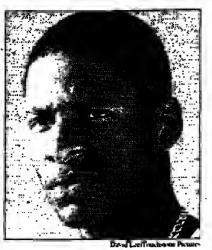
ecu

cası

Eu

A

New ' Boska Boltir Tomp Tompr



Ray Allen in "He Got Game."

#### THE OBJECT of My Affection

Directed by Nicholas Hytner. U.S. "The Object of My Affection" is a marshmallow of a movie: pale, pillowy and just begging to be skewered and roasted. Wendy Wasserstein brings a dull pen to this literary adaptation, which shows none of the bite or savvy of Stepben McCauley's novel. But she and director Nicholas Hytner ("The Madness of King George") seem to be under the impression that this pithless romantic comedy has something to say about the vast permutations of family, friendship and love. The "Friends" star Jennifer Aniston portrays a pregnant social worker who falls for her gay roommate (Paul Rudd) and asks him to belp rear her child. Since he's always dreaming of becoming a father, he agrees. Despite all its winking and flirting, the film is rather demure. It is, after all, aimed at the mainstream audiences who embraced gay characters in "My Best Friend's Wedding," In & Out" and "The Bird-cage." At one point, Aniston and Rudd are on the brink of unbuckling when they are saved by Ma Bell: A sexy-sounding guy (Amo Gulinello) is on the phone for him. It's a predictable turn of events, but it salvages the movie's remaining believability and the characters' credibility. As the movie's designated liberal spokesperson. Alan Alda (playing the husband of Aniston's pusby stepsister) points out that homosexuality "is a valid choice." No doubt millions of gay men and lesbians will be relieved to find this out. Alda's is the kind of line and "The Object of My Affection" is exactly the kind of movie the creators of "Seinfeld" had to mind wbco they came up with the rejoinder, "Not that there's anything wrong with that." If that's the case, wby bother to say so in the first place? (Rita Kempley, WP)

inal Clio was. "It wasn't sensible to re-

invent the concept," Asensio said. "We wanted a car that was clearly a Clio.

It is a solid, robust little thing, with

solid cabin plastics, and a firmish, flat

ride. Handling is safe if uninspiring. The

engines offer decent pep, even if they

are universally buzzy and unrefined (a common failing of French cars). A I.6-

liter, 16-valve unit sounds promising

hut, as things stand now, you're better

off sticking with the basic 1.2-liter unit.

with traditional Clio values."

The steering feels a little dead, the gear-

shift is Japanese-

easy, and the car just

goes about its job in

a competent, slightly anodyne way. If

pleasure

# Renault's Clio Tries to Expand Its Horizons & Code-Sharin

eveo if both are more cramped.

To many, these Volkswageo-like mannerisms will be seen as a huge com-

pliment, for VW is indubitably Europe's

most professional carmaker. To others,

this will be regarded as a shame, for

Renaults have long had a pleasing idio-

syncrasy about them, from their slightly

By Gavin Green

S with Mark Twain, reports of Renault's death seem to be exaggerated. Rivals continue to forecast that the French maker - hugely reliant oo its home market and on Europe when everyone else is going international — cannot possibly continue as a small, standalone company. Meanwhile, Renault continues to turn out stand-alone cars that, in many cases, are the envy of the rivals who prophesy its downfall.

The Espace, lanoched in 1984, was very possibly the most forward-thinking car of the '80s and pioneered the new breed of multipurpose minivans. A decade later, and the Renault Megane Scenic has done the same thing in the next class dowo. The hugely successful Scenic helped the Megane ro European market leadership in March, and rivals are now all trying to copy it.

Minivan successes notwithstanding, Renanlt's biggest strength has long been small cars. The Renault 5 was as trend-setting as it was successful, providing an early 70s template for the European small hatch.

Its successor, the Clio, was European Car of the Year; not least because it offered the refinement and the space of bigger hatches. Like most Renaults, it also was cute and charming, and proved particularly successful with women. Now the designer Anne Asensio has tried to give the car a slightly more masculine edge. "We need to appeal to more men, and also wanted to give the car a slightly more masculine, protective shape," she said at the car's premiere.

#### ROOMIER AND SAFER

lı is still unmistakably a Clio, even though every body panel is new. It's also longer, roomier and more frugal. and much safer because of airbags, the widespread use of anti-lock brakes and a stronger hasic structure. Novelties include, on the top-end models, head restraints that are positioned closer to the head (with the use of curved runners), thus helping to avoid whiplash, a particularly roomy back seat (probably best in the class) and an unusual doublecurved rear window. The rear styling is borrowed from one of Renault's better concept cars, the Ludo, and the nose. while cute enough, is a softer, more rakish version of the current Clio's.

All of which means that the new Clio is the name of the game, you're better isn't quite the head turner that the original Clip with a more traditional French small cabins - all features wanting in the new car, such as a Peugeot 106 or a Cirroen Saxo. Both offer more driving élan,

Still, this Teutonic philosophy is bound to increase Renault's appeal in Germany and other large non-French markets and help repel accusations about Renault's home-market obsession. It may even silence skeptics who insist that Renault has no future.

• Renault Clio 1.2. About \$14,000.

Michael France F Three- or five-door hatchback. Fourcylinder engine, 1149cc, 60 BHP ar 5,250 rpm, five-speed manual transmission. Top speed: 158 kph (98 mph). Acceleration: 0-100 kph in 15 seconds. Average fuel consumption: 6.0 liters per

Next: Skoda Octavia

Gavin Green is the editor in chief of Car magazine.

## Bold lines. less filling.

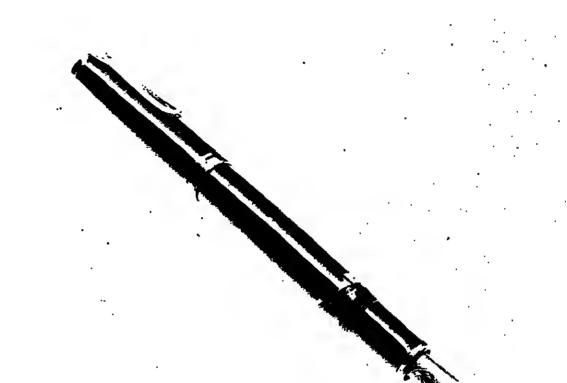
of the state of th

and semantic to the same of the

de la company de

n Zinch to Ciston

THE RESERVE TO THE SECTION OF THE SE



#### BOOKS

#### HEADING SOUTH, LOOKING NORTH

ripe he is for exploitation. Even the music defines the film's big, buoyant

notion of post-Barnum Americana. It's

a sound as all-embracing as the sport Lee loves. (Jonet Moslin, NYT)

A Bilingual Journey

By Ariel Darfman. 282 pages. \$24. Farrar, Straus Giroux.

Reviewed by Victor Perera N September 1973, Ariel Dorfman

President Salvador Alleode's suicide in La Moneda palace. Dorfman had worked in the La Moneda as a publicist for Allende's socialist experiment and became a secondary target of the junta's secret police. When he and others were approached by a United Nations officer offering them refugee status to leave the country. Dor-

fman turned her down. "I am an exile," he declared, wrapping bimself in a Byronic mantle more in ysis required of failed Latin American keeping with his self-image than the hand-me-down suit and blanket of a

refugee.
The rebabilitation of self-image is the chief matter of this loquacious memoir. As a former agent provocateur who used cartoon characters to blitzkrieg Chile with pro-Allende propaganda, Dorfman made image-making his specialty, and he was very good at it.

His essay "How to Read Donald Duck." co-authored with Armand Mattelart, remains the most trenchant antiimperialist polemic to come out of the abortive Allende revolution, which was put down by Augusto Pinochet and his fellow generals with CIA complicity.

New York. His father, Adolfo, who held a UN post in New York, was the Marxist son of Russian Jews who emigrated to Argentina. He named his Buenos Airesbom son Vladimiro, in honor of Lenin, but young Dorfman told his classmates

he was named after Horowitz. After joining Allende's popular unity government and "plunging into the jubilant adventure of saving the world."

alter ego. If Spanish was the language of English was his tool for making sense of his humanity.

ical upheaval in bis path. In 1968, two years before Allende was elected president, Dorfman was in Berkeley as a visiting scholar, and resonated to the rebels. He incorporated these two poles of social protest into his militant persona

when he returned to Chile. On one level, this memoir can be read as an exercise in the rigorous self-analrevolutionaries. But Dorfman's selfcriticism is leavened with large dollops of self-exculpation. He admits to conspiring in the hard left's alienation of moderate Christian Democrats who supported Allende, and whose disaffection opened wider the doors to the military's violent repression. On the other hand, Dorfman's ideological fervor was tempered by an appreciation for paradox nurtured by his love of Shakespeare. As a child of privilege. Dorfman recognized, in bindsight, that the Marxist glorification of el pueblo ignored the real needs of the workingclass poor whom the revolution was

born to serve. Dorfman's mea minima culpa often ORFMAN was correct to refuse runs to excess and hyperbole. His head-refugee status, as he had resources long and interminently self-serving nar-boundaries. refugee status, as he had resources long and interminently self-serving nar-that his Chilean comrades lacked, chief rative is rescued by the clear-eyed esamong them a mastery of the English sayist. Long, disjointed passages devoid language acquired during his boyhood in of self-irony, in which he appears to write from both lobes of his brain at once, are interspersed with moments of unsparing self-insight: "I was unable to look directly in the face of the divergent mystery of who I was, the abyss of being bilingual and hinational at a time when everything demanded that we be univocal and immaculate."

Dorfman's errant journey is redeemed by his unbounded vitality and the trans-

guerre Ariel, from "The Tempest." But able Chilean companera, Angelica, who even as he denounced CIA intervention anchors him to a dogma-free everyday in his adopted Chilean vemacular, the reality, and by the survivor's guilt - an English language was the core of his archetype to which our century has surely giveo a oew meaning - that cuts his inner child and of the Latin militant, his outsize ego down to size and deepens

When I met Ariel Dorfman in Paris in Ariel the leftist militant, novelist and 1975, a year after I was assigned by the w navigated the shoals be- New York Times Magazine to cover the bassy in Santiago, following a military tween historical convergences, forging a coup that killed hundreds and led to new identity from every social and polit- was still beating the drums for the revwas still beating the drums for the rev-olutioo. After I interviewed him — in Spanish - for an article on Chilean writers in exile, he insisted that I inform the novelist Jose Donoso, who was next flower childreo's love songs as well as oo my list, that 'Julio Cortazar [the the fiery antiwar rhetoric of the student Argentine novelist] and l are waiting for him to declare his opposition to Pinochet.

When I tracked down Donoso in Spain's Costa Brava, he reacted testily to my embassy. "Inform Dorfman," Donoso said in his impeccable Princeton English, "that if I take a public stand on Chile it will be in the way I

know best: through metaphor."
In October, 1996, a bemused Doooso recalled his altercation with Dorfman when I interviewed him io Santiago. Metaphor survived," Donoso said, tugging at his gray beard. He died three weeks later.

OWARD the end of "Heading South, Looking North," Dorfman falls back on the myth of the exile who finds salvation only in wandering. His commitment to bearing witness through his writing - as in bis scaring play on a Chilean torturer and his victim, "Death and the Maiden" - is 100 global to be

boundaries.

Ariel Dorfman's impressive oeuvre may in time become associated not just with the Chilean exile, the failed socialist revolutionary or the self-invented American writer but with Dorfman the extravagantly talented diasporan whose sole weapon, after all the bodies were removed from the stage, was the word.

Victor Perera, the outhor of "Unfinished Conquest: The Guatemalan Tracedy" and "The Cross and the Pear Tree: A Sephardic Journey," wrote this Dorfman settled on the clfish nom de parency of his ambition, by a redoubt- for The Washington Post.

## PERSONAL STOCK **PORTFOLIOS**

Up or down? Design your personal stock portfolio and track its daily performance using the IHT site on the World Wide Web.

http://www.iht.com

#### BRIDGE

By Alan Truscott

F there were to be an award for the world's most luxurious bridge club, the Regency Whist at 15 East 67th James Loeh, the president of Street, which has its roots in the club, and Edith Sacks, the ancestor game of whist. who heads the Card Commitwould be a strong contender. Its playing rooms, bar and South to reach three no- hut could also have been a dining room are of a quality trump, although there were spectacular failure: West that would be hard to match

anywhere. Cluh members and a group of invited experts contended for East to hid his spades and in a special duplicate game on Monday, and the North-South winners were two members. to respond one spade, which Beverly Gunther. Winning partnerships have an agree-East-West, in spite of a matchpoint handicap im-posed on them and the other natural bid, not a cue bid, and have been sorry if his partner

and Judge Amalya Kearse, successful defense. After East hut as it was he had a stunning whose many successes in- passed, South could bid two success. His partner dutifully clude the World Women's no-trump, leading to game, or led the ace and another spade, Pairs title in 1986.

On the diagramed deal the East-West cards were held by James Loeh, the president of his partner in a quandary after tee. It was normal for Northseveral hidding variations. If North responded one dia- headed by the king-jack, and mond to one club, it was easy a singleton spade. So East

so inhihit a no-trump game. But the modern tendency is Immerman and may silence East. Many good ment that two spades over one

Now it was normal for seven tricks to collect 500. West to lead a heart, leaving winning with the ace. A shift to a low spade would have been a spectacular success. could have held five hearts makesthe ohvious return of his remaining beart, and South had 11 tricks.

This did not happen when Loeb was East. As shown, he tried the bold gamble of doubling three no-trump, asking experts, were Jacqui Mitchell that would also prepare for a had held a singleton spade.

bid three no-trump directly. and the defense took the first

◆ 10863 ♥ 983 ◆ KQ9542 SOUTH (D) Q KQ to • K85 ♣ A K Q 18 43 North
1 4
3 N.T.
Pass Pass Db!

المنكنات الدجل

that is E-Funds?

power is action that appear onto the that the state of the s you do I rapectibe. Aga gird mark with 30 amiles man

When the south will an action to the state of the south and the south south actions and the south sout hold top of Bot RIDE O. The land on a land of the HAL within a manner was "many funds may I subscribe to pland Branch in as many lattice as con-

appearing the matter living as continued to the state of Age to be folder a feet on tone pare matter the apparations in heleman.

follow your funds Via the

Sa lacting

 $\mathcal{I}$ 

wd

on hed ısh-

ith 'i

ais-uth

≈ts

ans

on-of self

en-

uπ-

an-the

le

17-

day nto ard

ιείτ

uly and ıki, self ast

aid ts'' Гре

ap-

3

ire-

the

the

:TO-

an-

ake R5

WO Y.

the

æ

tly.

'nЊ

lish

ute

av-

ing and she

the

ries

าลก

as

 $\mathbf{om}$ 

US-

/all

18-

VIг.

ırai

ıce

ess bill

the

an

re-

. it

æn

ys-ore

)B-

æ

tax

# THE FREQUENT TRAVELLA COde-Sharing Alliances: Not Always in the Flier's Interest of their ability to sell on broader markets. The only arguable benefits are hetter begagage right through and receive all boarding cards in one got co-ceive all boarding cards in one-flow mile with their ability to sell on broader markets. The only arguable benefits are hetter ceive all boarding cards in one-flow and receive all boarding card

will actually fly, whatever your boarding card says. Or whether you will set out on one type of plane and arrive on

another, perhaps on a connecting flight with a second or third carrier.

Buy a ocker from Air France from Nice to London and you will find yourself on a British Midland flight. Continental Airlines passengers from Garwick to Orlando, Florida, may be surprised to board a Virgin Atlantic 747. Nobody told you that Delta was operating what you thought was a Swissair flight from Zurich to Cincinnao.

Whether you're pleased, perplexed, angry or indifferent may depend on

airlines agree to use the same designator, or flight number, for a flight or series of connecting flights in order to attract more husiness by extending their networks through partner carriers.

Code sharing is the most visible con-sequence of the alliances that airlines are forging in their quest for global dominance. These accords include loose marketing agreements; reciprocal sales and marketing pacts; coordination of schedules and fares; cross-equity holdings and aircraft-huying consortia; and franchising deals where one airline pays another for the right to carry its name.

The alliances sometimes take the form of hlock-seat arrangements in which one airline sells seats under its

One can expect to see more airlines sharing the same plane with their own fares, flight attendants, meals and inflight service. By the end of the decade, at least half the long-haul services are likely to be operated as joint flights with perhaps half a dozen airlines sharing the same cabin on a new generation of "super jumbos."

#### FEWER TRAVEL OPTIONS

Not surprisingly, airline partnerships are packaged by airlines as hugely desirable. But for whom? Open skies were supposed to mean more compension. more players in the marketplace, more options for travelers - and lower fares. Travelers can certainly benefit from

around at megahubs; joint ticket sales and reservations; joint frequent-flier programs with scope to earn and redeem miles on a wider choice of carriers and hotel and car-rental partners.

But through the subterfuge of code sharing is a return to the days before deregulation of monopoly and duopoly routes with "pooled" schedules and revenue, to less choice of flights on some routes and to the threat of higher fares.

There is also growing criocism that code sharing is misleading because the traveler is huying one product but getting another. The U.S. Department of Trans-portation found that 30 percent of passengers on code-sharing flights were not told which carrier they would be flying.

"You can guarantee that airlines didn't decide to form alliances so they could offer the traveler cheaper fares or better service," said Mike Platt, commercial director of Hogg Robinson Travel in London. "They formed alliances to reduce their costs and increase

حكذا من الاصل

MONG high-profile examples of airline accords is the con-tentious British Airways alliance with American Airlines (awaiting approval by the European Union this

month), serving 401 cities.
Others are the Star Alliance of Air Canada, Lufthansa, SAS, Thai Airlines, United Airlines and Varig, serving 642 cities; the new Qualiflyer Group of Swissair, Austrian Airlines and Delta Air Lines, serving 294 cities; British Airways, and Cantas; Singapore Air. Airways and Qantas; Singapore Air-lines, Ansett, Air New Zealand; Singapore Airlines and Lufthansa; and KLM, Northwest and possibly Continental.

Cracking the airline codes comes down to asking the right questions: Which airline will be operating this flight? How many times does it stop and where? Is there a change of aircraft or airline? Will my seating and meal re-

GOOD TRAVEL DEALS

quirements be respected throughout the journey, especially if I am decanted to a smaller plane? Is my connection "guar-anteed"? How long will I he on the ground? Can I use an executive lounge? Will I earn frequent-flier miles on both code-sharing airlines? Is there an alternative noncode-sharing route with a cheaper fare?

Airlines hosong computerized reservations systems tend to manipulate display screens — or give incentives to travel agents — in favor of their own flights. Code sharing allows airlines to offer on-line connections that may involve a change of plane or carrier as direct flights.

So ask the agent to check all the screens for a through flight before putting you on a connecting code-sharing flight. Be aware that a direct flight does not mean nonstop: It means you are stopping somewhere, but staying on the same plane.

Airline timetables should reveal

code-sharing flights. But the only way to be sure is to subscribe to a neutral database such as an OAG electronic guide. If in doubt, call the airline.

## **Bold lines.** Less filling.

At Opel we work herd to bring you vehicles that look good and make good sense. lake our new Astra rang for Instance. Its dynamic

styling offers exceptionelly low wind resistance. This, combined with new ECOTEC engine technology, reduces fuel consumption by up to 20%. Meaning you fill up less often.

In fact, Astra has become the most fuel efficient gasotine-engined cer in its class. Yet it gives you more room, more etyle and even more driving pleasure. Now that's something to write home about.

Internet: http://www.opel.com

OPEL 😌

#### **海をすてき来る。主義を発生が立ちられた。** AIR CHINA "Far East Saver" round-trip fare ol £399 (\$665) from London Heathrow to Beijing, Seoul, Pusan, Sendal, Osaka or Fukuoka. Some restrictions apply. Free onward travel from Beijing to Shanghai and discounts of up to 50 percent on domestic feres. Until Aug. 31. **BRITISH AIRWAYS** France/Switzerland One-way upgrade to first class when you buy a round-trip business-class to United States/ ticket from Basel/Mulhouse, Bordeaux, Brussels, Geneva, Luxembourg, Caribbean Lyon, Marseille, Montpellier, Nice, Paris or Toulouse. First-class passengers to New York or Barbados get e round-trip upgrade to Concorde; a round-trip business-class ticket allows you e one-way upgrade to Concorde. Until Oct, Round-trip fare (via Bahrain) lor £685 (\$1,140). For travel until July 14. The Travel Bug (44-990) 737-747. **GULF AIR** London to Sydney JAPAN AIRLINES Britain to Japan JAL Mileage Bank members earn double miles on new service between Heathrow and Nagoya. Until June 30.

"Super Saver" rate of 1S,000 yen (\$112), single, and 20,000 yen, double, for HYATT REGENCY Osaka a "deluxe" room. Until Dec. 31. "Double Options" added-value program offers guests paying eny published INTER-CONTINENTAL Asia-Pecific rate at 27 hotels in the region the choice of two of the following: upgrade to a junior suite or Club Inter-Continental accommodation; a second room et 50 percent discount: American breakfast; double mileage or points with participating airlines. Until May 31. PARK HYATT Washington

"World Cup Widows" weekend package for \$124.50 per person per night in a "deluxe" room includes Continental breakfast, a one-day pass on the Old lown Trolley and shopping discounts. From June 1 to Aug. 31 SUNWAY HOTEL Hanoi Rates from \$75 for e "superior" single. Until May 30. New budget hotel convenient for Canary Wharf and London City Airport offers TRAVELODGE London standard rooms for £49.50 (\$82) a night.

Athough the IHT carefully checks linese offers, picese be forewarned that some insvellements may be unaware of them, or unable to book them

#### ARTS GUIDE

#### BELGIUM

ANTWERP Koninklijk Museum Schone Kunsten, lef: (3) 238-7809, closed Mondeys. To July 26: Pieter Breugel le Jeune et Jan Bruagel l'Ancien: Une Famille de Peintres Flamands vers 1600." Approximately 130 paintings and 20 works on paper by the eons of Pleter Bruegel tha Elder (12 of his paintings are also shown). Jan Bruegel the Elder (1568-1625) was a painter of flowers and still lifes, while Pieter Bruegel tha Younger (1564-1637) copied his father's work thus making if fa-

miliar to a wider public. BRITAIN

GLASGOW

Art Gallery and Museum, Kelvin-grove, tel: (141) 287-2700. open daily. To Aug. 30: "Scrolls From the Deed Sea." Nine scrolls on parch ment accompanied by objects excavated at Oumran in 1947 that illustrate the simpla life of the small

Jewish community of the Essenes 2.000 years ago. The scrolls will travel to Paris and Cologne.

National Gallery, tel: (171) 747-2885, open dally. To Aug. 2; "Mas-ters of Light: Dutch Painters in Utrecht During the Golden Age."
Utrecht painting in the 17th century combines Italian theatricality and lighting affects with Dutch sensitivity to nature. The exhib-tion features 80 paintings by 20 artists such as Abraham Bloemaart, Dirck van Baburen and Gerard van Honthorst. Tate Gallery, tel: (171) 887-8000, open daily. Continuing/ To May 17: "Bonnard." Landscapes, stiff

litas, interiors, bathroom pictures

and self-portraits by the French painter (1867-1947). FRANCE

**BERN'ART** 

in association with

G.M.G. Fine Arts, Ltd.

unique exhibition

Impressionist & Modern

Belgian Paintings

Henry J. E. Evenepoel (1872-1899), Charles in a Striped Jersey, "Charles au Jersey Rayé".

Oil on cannas. 28 - 1/2" x 19 - 3/4", (72 x 50 cm), signed bottom left. 1016 Madison Avenue, 2nd fl., NY, May 7 - May 30, 1998 Mon. Fri. 1600 cm - 700 pm. Sat. 11.00 cm - 5.00 pm or. by appt. (212) 652-3600

Stand F4 at the International Fine Art Fair, May 8-13, 1998

Grend Petels, tel: 01-44-13-17-17, closed Tuesdays, To June 29: "Man Ray: La Photographie a

l'Envers." Hundreds of fashlon portraits of the 1920s and '30s. The exhibition contrasts Man Ray's professional photography with hie creative works and his use of complex technics. The show wilf travel to Rome.

Musee du Petit Palais, tel: 01-42-65-12-73, closed Mondays. To July 26: "La Gloire d'Alexandrie." Extensive underwater and land excavations have been taking place in Alexandria, Egypt, ovar tha last five years. The axhibition brings togethar items that docu-ment the history of the city be-tween its foundation by Alexander the Grsat and the reign of Cleo-patra, 300 years later. Also to July 26: "Alexandrie l'Egyptianne." Photogrephs taken by the Brazill-an artist Carlos Freire, who traveled to the city in 1995 and

GERMANY

COLOGNE Wallraf-Richartz-Museum,

(22) 221-2372, closad Mondeys and Whit Monday, To June 7: "Landscape as Cosmos of the Sout: Nordic Symbolist Painting Up to Munch, 1880-1910." A survey of to Munich, 1980-1910. A survey or to Munich, 1980-1910. A survey or to Munich, 1980-1910. Often inspired by the School of Pont-Aven and Gauguin, Hammershol, Strindberg and Munch, among others, exploited the possibilities offered by the Nordic countryside and its distinctive climate.

ITALY

Paggy Guggenheim Collection, tel: (41) 520-6288, closed Tues-days. To Sept 13: "The Later Morandi: Still Lifes, 1950-1964." Works by the Bolognese painter (1880-1964) In his last years. They reveal his obsessive repe-tition of the same subled mater. They reveal his obsessive repe-tition of the same subject matter.

with variations only in tone, com-

position and viewpoints. SPAIN

Museo Nacional Centro da Arte Reina Sofia, 1el: (1) 487-50-62, closed Tuesdays. To Juna 1: "Esteban Vicente: Obras de 1950-1998." Documents the Spanishborn painter's career after his arrival in New York in 1950 where ha becama alligned with the Abstract Expressionists: Faatures paintings, works on paper and col-

SWITZERLAND

Kunstmuseum, tel: (61) 271-0445, closed Mondays. To July 19:



Walker Evans photograph in Atlauta exhibition.

'Andy Warhol: Zeichnungen, 1942-1987.' A selection of 200 drawings from the thousands by the American artist whose philosophy was that " business art is a much better thing to be making

www.kunstmuseumbasel.ch UNITED STATES

High Museum of Art, tel: (404) 733-4437, closed Mondays. To June 14: "Walker Evans: Simple Secrets — Photographs From the Collection of Marian and Benjamin A. Hill." Beginning with Evans'a early New York abstractions. street scenes and portraits, the exhibition also covers the Amer-lcan photographer's work in Tahlti, Cuba and the United States.

National Gallery of Art, tel: (202) 737-4215, open daily. To Aug. 16: "Mark Rothko." Works on canvas and paper by the American artist (1903-1970). The exhibition in-cludes figurative works from Rothko's aarly period in New York, hie experimentation with mytho logical thames in the early 1940s. and his abstract "multiforms" later

#### In the decade. The show will travel to New York and Paris. CLOSING SOON

Mey 10: "La Cote d'Azur de Jacques-Hanri Lartique." Foto-grafie Forum International, Frankfurt. May 10: "Bill Viola." Whitney Museum of American Art, New

York. May 11: "La Collection Lemma: Tableaux Romains des XVIIe et XVIIIa Siecles" and "La Viarge A L'Enlant d'issenheim." Musee du Louvre, Paris,

May 12: "Farnand Leger," Mu-



What is E-Funds?

What is E-runds:

E-Funds is a service that allow your to recome only updates to the international fund groups that interest you. These updates are delivered interest lically to your well box daily.

How do I subscribe?

To add a fund group, send the mail means to "e-funds@freet" — in the both of the message, type SUBSCRIBE followed by the fund code. It is cample, to subscribe to the Global set Management fund, you would type SUBSCRIB. 76 (The fund codes appear next to the funds bears on the International Funds page of the IHT). With a 5 minutes, your subscription will be registered and you will begin to receive daily updates on the fund.

How many funds may I subscribe to:

You may subscribe to as many funds as you like, but you must send on individual SUBSCRIBE message for each fund, Receive a full list of finds codes un the HIT International Funds page, or by sending an e-mail message to "e-funds@iht.com" with the message to "e-funds@iht.com" with the message.

What must I pay? There is no rost for subscribing to E-Funds. This is a reader service feature for HIT readers.

Follow your funds via the



appe T

6-4, ther Ger

upse Mo

mig moi nan E

## For Daimler and Chrysler, the Road Ahead May Be Full of Potholes \*

By Keith Bradsher New York Times Service

DETROIT - A quarter of a century ago, most automakers were convinced that the only way to thrive was to imitate a then-wealthy General Motors Corp. and become as big as possible, producing cars of every size and shape and selling them in every market around the globe.

After many years in disrepute, the theory is back in fashion now and fully reflected in Daimler-Benz AG's planned takeover of Chrysler Corp. The deal would turn two medium-sized automakers with limited vehicle lineups into a nearly global manufacturer selling everything from economy cars to luxury

Chrysler Stake

A High Prophet

By Geraldine Fabrikant

New York Times Service

known as a reclusive billionaire who

press. But if he did, he would certainly

be entitled to say, "I told you so."
His much-maligned 1990 investment

than triple his original investment.

Mr. Kerkorian began buying the stock

eight years ago, when Chrysler was still recovering from years of poor sales.

Over the years, he purchased 100 million

half of that investment two years ago.

The investment, which was met with

contempt on Wall Street and hostility at

corporate raider, paid off even before

the talks between the car companies

Late Thursday, after the companies'

boards approved the deal, shares in

were disclosed Wednesday.

NEW YORK - Kirk Kerkorian is

The short-term advantages are clear. Daimler's automotive unit, Mercedes-Benz, would no longer be so dependent on European sales and on the luxury-car market, which is vulnerable to any tumble in stock prices. Chrysler would no longer earn almost all of its profit from sales in the United States of a few models of sport utility vehicles, pickup trucks and minivans.

But several obstacles remain to its long-term success, auto executives said. One lies in avoiding the ponderous decision-making that has plagued GM, partly because of its size. Another danger lies in combining two giant corporations be was an executive vice president of

Pay Back

Kirk Kerkorian, who invested \$1.4

billion in Chrysler, often fought with

third pitfall may lurk in the automakers' sometimes contentious labor relations.

Just as many airlines now see their futures lying in mergers and joint marketing agreements that span continents, Daimler-Benz and Chrysler, hy combining, could put new pressure on smaller automakers around the world. Small producers must now choose to either form their own alliances or risk being trapped in their bome markets with a limited lineup of models.

Oddly enough, one of the strongest critics of large automakers is Robert Lutz, Chrysler's deputy chairman. Mr. Lutz said in a recent interview that when

Late Thursday: \$52,525, up \$3.8125

FEB. 8, 1996

BMW would have to merge soon be-

economies of scale. "Here's BMW 25 years later, still gloriously independent," Mr. Lutz

He added that the most efficient auto-makers produced 300,000 to 3 million vehicles a year. Then he suddenly stopped and quickly revised the upper limit for efficient production to 5 million — Chrysler made nearly 2.9 million vehicles last year, so an upper limit of 3 million

would preclude it getting any larger.

Merging European and American

early 1970s, he was often asked whether result last time was a disaster that Chrysler executives know particularly cause it produced fewer than a million well. In 1981, Renault of France took cars a year and seemed to have few control of American Motors Corp., which made Jeeps and Eagle cars. What followed was years of struggle between Detroit and Paris over who would make the decisions, while Renault insisted that American Motors try to sell Frencbdesigned cars that often did not meet

> Squabbles among executives ended dooming the Renault merger, said Gerald Meyers, who was chairman and chief executive of American Motors un-

til 1982, when he resigned. "On paper, it was a marriage made in

## Daimler's Driven Chief:

U.S. standards.

Firmly Behind the Wheel

By Edmund L. Andrews New York Times Service

FRANKFURT - Long before he orchestrated the stunning takeover of Chrysler Corp., Juergen Schrempp had been setting the stage by overhanling his

own company from top to bottom. In the three years since Mr. Schrempp became chairman of Daimler-Benz AG. he has lopped off more than a dozen companies and reversed the disastrous diversification effort of his predecessor,

Mr. Schrempp has reorganized the company, eliminating more than a thousand midlevel managers and forcing those who remained to focus relent-

The results have been impressive. After logging a \$3.2 hillion loss in 1995,

his biggest gamble ever. Having slimmed down Daimler-Benz by bail-

He is also embarking on a buge exercise in cross-cultural management. As Germany's biggest industrial conglomerate, Daimler-Benz's history dates from the late 19th century and includes a sordid period as a major component of the Nazi war machine during World

In the decades of Germany's "eco-nomic miracle" immediately after the war, Daimler-Benz grew rapidly into a major manufacturer of expensive, highquality cars. As Germany's prosperity soared, so did that of Daimler-Benz.

Things became unglued in the early 1990s, when Mr. Reuter embarked on a sweeping program to expand into new industries. Convinced that the company should become a wide-ranging "technology" enterprise, Mr. Reuter expanded into aerospace and aircraft, data processing and even insurance.

Most experts now say the strategy was grievously flawed, but the problems were compounded by recession in the United States and a soaring value of the Deutsche mark, which made exports difficult.

Though Mr. Schrempp had been part of Mr. Reuter's regime, he quickly began to carry out a connterrevolution after he took over in early 1995.

Daimler-Benz shed more than 40,000 workers in less than two years as it sold or simply shut down marginal husiness. By late 1996, Mr. Schrempp bad refocused the company on automobiles and trucks, which account for about 70 percent of Daimler-Benz's sales.

The transformation has not always been pretty. Last year, Mr. Schrempp reorganized the company structure and eliminated Mercedes' separate board.

Under the proposed new deal, Mr. Schrempp will at least nominally be sharing power with Chrysler's chairman, Robert Eaton, But Mr. Eaton's position as co-chairman of the new Daimler-Chrysler conglomerate is expected to be a transitional post - cer-

sedans to sport utility vehicles, minivans with very different business cultures. A Bayerische Motoren Werke AG in the automakers is not a new idea, and the beaven," he said, but in practice, "the cultures couldn't get together, and that was the reason it foundered."

Renault ended up selling American Motors in 1987 to Chrysler, in promptly turned Jeep into one of world's most valuable brands

The last senior French executive as Chrysler from that era, Franceis Castaing, was passed over for the job of president a year ago and left his position as an executive vice president to become a consultant to Chrysler.

Mr. Meyers said that although Robert Eaton, Chrysler's chairman and chief executive, has international experience from having run GM's European op-erations, Mr. Lutz, who speaks fluent German, would be the key to preventing the Daimler-Chrysler deal from running into the problems that Renault and American Motors encountered.

Mr. Lutz is known for his passion for car design, as are many German auto executives but few top Detroit executives, who commonly rise to the top through their companies' financial op-erations. Mr. Lutz is well known in Detroit for ridiculing financial executives.

But one question is how long Mr. Lutz will remain at Chrysler. He is 66 and stepped down last year from his position as Chrysler's president and chief operating officer, although be continues to play an influential role in the design of new vehicles. He had been expected to retire as deputy chairman when his contract expires at the end of this year, but he hinted in a recent interview that he might be willing to stay longer.

Another long-term problem for Chrysler and Daimler-Benz may also lie in labor relations. Juergen Schrempp, Daimler's chairman and chief executive. has restored the company's profitability partly through a series of showdowns with German unions, although the unions continue to be represented on Daimler's board. When Mercedes decided in the early 1990s to begin producing sport utility vehicles in the United States, it chose to build a nominion fac-

tory in Tuscaloosa, Alabama.

All of Chrysler's factories in the United States are represented by the United Automobile Workers union. The union has had no success in organizing non-U.S. auto-makers' factories in the Southern United States, but Chrysler endured a 29-day

strike a year ago that crippled its profit.

UAW leaders said Wednesday that they were withholding judgment on the companies' proposed combination until they had more details. But people close to the union predicted that it would seek the right to represent the Tuscaloosa workers and said the union feared that in the next recession. Daimler might lay off Chrysler workers in the United States before it let go any Mercedes workers in Germany.

Automakers have led the way in seek-

hina Hasn't La

Seichun showing a toy from the

Jespite Neighbors Devaluation

By Thomas Crampton, 17 CHEFFE OF THE STANCE OF LAND

Terms of the second sec

Explain to a control of the control

king Abend /Co

Momonic Decis

B) Reginal's Date TISHENOTON - An all or Francis European I. R. salame and course because the Tangalis de la cardidates Imbactions of the Notherlands Manual Can Clade Trease of France But the sew

the make more ense than the and that the judgment of Scientism and down by EV judgment of Brussels and an area of the contents of the first of

the contact, need headed symmetric heade the mile imancial markets have de good sense not to be starmeded leaders base.

the beganne reaction by the herd-Puess of the media and the leadpolical opponents.

Since that the dead struck in Brands are not the dead struck in Brands.

the term to make way for Mr.

influence the

tween at the deal struck in Brainton and exactly ideal. Mr. Duiston sho be the first president of the
attending that he will "voluntarton about half a reconstant his the about half way through his

he and ready to veto the German on it at the

CURRENCY

Makes Kerkorian its executives over the company's direction. As of late Thursday, his a board seat stake was worth \$4.7 billion. Here are the weekly closes of Chrysler's stock. ... Financial Market does not talk much to investors or the Kerkorien-20 DEC. 14, 1990 Cerkorian buys artother 4% of Chrysler buys 9.8% in Chrysler Corp. is proving nothing short of brilliant. If the Daimler takeover of Chrysler succeeds, Mr. Kerkorian's remaining stake of 89 million shares would be worth about \$4.7 billion, more of Chrysler MAY 31, 1995 Kerkorian Kerkorianwithdraws his, begins bid offer, conceding. of Chrysler it will not kappen ... shares, for a total of \$1.4 billion, making agreed not to acquire more than 13.75 percent of the company. In the ensuing two years, Mr. Kerkorian sold 11 million shares back to Chrysler, for a total Chrysler because of his reputation as a

of \$370 million, to comply with the percentage limit. He has also received \$500 million in dividends. Those payments, together with the value of his current holdings if the deal goes through, would total nearly \$5.9 billion, or more than four times his investment.

Chrysler were up \$3,6125 at \$52,625. On Wednesday — the day the carmakers Mr. Kerkorian bas long been a thorn confirmed they were in talks, the shares soared \$7.375 to \$48.8125. Mr. Kerkoriin the side of Chrysler's management, threatening a takeover in 1995 after an, who turned a huge profit when be sold his stake in MGM/UA Communications teaming up with Lee Iacocca, the company's former chairman. But two people a decade ago, paid an average of \$14 a share for his Chrysler boldings. close to Mr. Kerkorian said Wednesday that he did not know about the current In the wake of a 1996 agreement with talks until January, when they were Chrysler's management, Mr. Kerkorian already well under way.

Overseas. Time set free



Kirk Kerkorian could net billions.

## employer, says that a majority of its

By William Drozdiak

BERLIN - The decision by Daimlermost prominent German enterprises to pursue what they see as more profitable

AG, have shed their national identities to

The benefits are evident: Germany's stock market has hit record highs this year

## DAIMLER: Carmakers Rolling

ica to increase sales of its luxury cars without stealing Chrysler's traditional mass-market customers. Chrysler can exploit Daimler's European network to multiply foreign sales of its cars without

el to Daimler's S-class limousine, once called a "cathedral on wheels."

forever," he said.

Countering speculation that Dainsler focus on cars, Mr. Schrempp vowed that to luxury limnusines. the company is keeping its aircraft, defense, helicopter and train units. DaimlerChrysler will exist under Ger-

man laws of incorporation as an Aktiengesellschaft or AG, although it will maintain two "operational" headquarters, in Stuttgart as well as in Chrysler's takeover. Under the terms of the stock head office in Auburn Hills, Michigan.

Share in Leib and the stock swap, however. Daimler shareholders Shares in both companies rallied strongly for the second consecutive day

workers are now employed abroad. the labor force, cannot find work. Gering to shore up their efficiency and their many has not witnessed this level of jobbalance sheets through foreign investlessness since the Nazis came to power. ments. Almost all of Audi's engines now come from a gleaming new plant in Gyor,

cannot afford to wait for serious reforms, so they are voting with their feet."

Germany as foreign companies invested in Germany. Siemens, the electrical gi-ment, offers enormously lucrative pos-

## about 10 times as much money outside sumers in Canada and Mexico through

## secutive record year for advisers on

and Deutsche Bank AG gening the linn's share, analysts said Thursday.

advising Daimler-Benz on what will be the largest merger of two industrial companies and the largest acquisition

of a U.S. company by a foreign one.
"It's groundhreaking — it is also the largest ever cross-border transaction," said Don Meltzer, head of European mergers and acquisitions at Credit

The fees from the deal will increase profits in what could be the third con-

Daimler-Benz shares closed in Frank-furt at 205.10 DM (\$116.20), up 12.20 DM, while Chrysler closed at \$53,0625 in New York, up \$4.25.

the daily Frankfurter Allgenieine Zeitung dubbed it, will produce over 4 million cars and trucks annually, trailing nothing but to improve those hrands and only General Motors Corp., Ford Motor yes, they will clearly be separate brands

Co., Toyota Motor Corp., and VW in vehicle output.

will divest its aerospace operations to full range from rugged off-road vehicles Ranked by revenue, earnings and

market capitalization. DaimlerChrysler climbs to the world's No. 3 carmaker. Both companies emphasized that in technical terms, their accord is a merger

swap, however, Daimler shareholders hold the better cards. They can trade their shares for stock in executives said.

as investors endorsed Mr. Schrempp's declaration that the "two companies are Chrysler shareholders will receive only about a half share - 0.547 of a Daimler Chrysler share - for each Chrysler share they hold.

In once-staid corporate Germany, Mr. Schrempp's acquisition is certain in mark Daimler as a leader of change. The fresh winds of decentralized Americanstyle management will accelerate the cultural revolution that Mr. Schrempp has launched.

Chrysler already has begun to prod change at Daimler, analysts said. Mr. Eaton said the new company will cater to its shareholders by 'returning surplus cash' to shareholders.

Shareholders can count on far more generous payouts in the future than Daimler's shareholders are accustomed

called it a conservative figure. Over the next few years, savings will thore than double to about \$3 billion, the

مكان الاعل

Edzard Reuter. lessly on profit performance.

mostly because of writing off its investment in the Fokker aircraft company, Daimler-Benz's sales climbed 19 percent last year, to \$68 billion, and operating profits soared 79 percent, to about \$2.5 hillion. Mr. Schrempp is now about to take

ing out of businesses from airplanes to insurance, the combative 53-year-old chairman is bulking up again with one of the biggest takeovers in history.

ainly if Mr. Schrempp has his way.

## German Companies Turn Less German

Washington Post Service Benz AG to seek history's higgest industrial merger, with Chrysler Corp., reflects an accelerating trend among the

destinies in the U.S. market. German companies striving to stay competitive in the post-Cold War rev-olution of global markets are saddled with some of the world's most expensive labor costs and social benefits. So companies long renowned as Germany's champions, such as Siemens AG and Volkswagen

seek greater fortunes abroad.

Continued from Page 1 Chrysler's presence across North Amer-

treading on Daimler's turf. With the takeover, Daimler pulls ahead of VW in the drive to expand into all segments of the motor vehicle mar-ket. VW's top-of-the line luxury models are still on the drawing boards and it still wants to buy a line of heavy trucks. The merged German-U.S. company, meanwhile, covers every segment from subcompacis such as Chrysler's Neon mod-

"Both companies have product ranges with world class brands that complement each other perfectly," Mr.

Eaton said. Daimler makes Mercedes-Benz luxory sedans, while Chrysler presides over the Dodge, Plymouth and Jeep brands. Its Jeeps and minivans are market leaders in some of the fastest-growing seg-

ments of the auto market. Mercedes-Benz and Chrysler will remain distinct brands, even within the combined company, Mr. Schrempp said. We believe very strongly that a brand is the most important thing a company owns and I can assure you we will do

as costs have plunged and profits soared. But the downside is equally clear. Almost 5 million people, or nearly 13 percent of

'Germany is on its way to becoming an industrial museum." said Arnulf Baring, professor of economic history at the total paralysis in political leadership because nobody in the mainstream parties dares to suggest wage cuts or social welfare reductions. These companies

Last year German companies invested

## ant that was once the nation's biggest sibilities for German companies.

LONDON - The merger between Daimler-Benz AG and Chrysler Corp. could generate as much as \$200 million in fees to advisers, with Credit Suisse in anticipation of increasingly tough First Boston; Goldman, Sachs & Co.;

Credit Suisse is advising Chrysler, and Deutsche and Goldman, Sachs are

VW's announcement came after the close of trading on the Frankfurt Stock

and took pains to avoid the nution of a

Hungary, where workers earn about oneing. professor of economic history at the sixth the wages in Germany. Soon Audi Free University in Berlin. "There is a AG, a subsidiary of Volkswagen, will be assembling entire cars in Hungary, while some of VW's own new models will be

turned out at plants in Slovakia. The United States, with labor costs estimated at roughly half the average rate of \$29 an hour in Germany and access to a vast pool of affluent conthe North American Free Trade Agree-

European mergers and acquisitions as

industrics such as pharmaceuticals, banking and engineering consolidate

global competition and monetary nn-

deal could make up to \$200 million, of

which the hankers are likely to take the

majority," said Angela Ward, contrib-

uting editor of Acquisitions Monthly.

quarter total of \$28.8 billion more than

doubled in the next quarter. Deutsche,

which was ranked outside the top 10

largest advisers, could rise into the

premier division because of the deal.

According to Securities Data Company, Goldman, Sachs advised on \$77.3 hillion of deals in the first quarter of 1998. Credit Suisse will see its first-

'The lawyers and bankers on this

ion in Europe.

## A Boon for Investment Bankers

The new "Chraimler" company, as

The trans-Atlantic alliance will offer a

With savings from joint purchasing, shared research and exchange of components and technologies, the combined Danmler-Chrysler expects benefits of \$1.4 billion next year. Mr. Schrempp

Overseas. Born of centuries of experience. Designed to weather any challenge. Now ready to share your horizons. Case and bracelet fashioned in solid gold. Water-resistant to 150 m (about 500 ft). Screw-locked crown and case back. Folding bracelet clasp with double safety catch. Overseas. The world is yours.



THE WORLDS'S OLDEST WATCH MAND ACTURER

Geneva, since 1755

An action to satisfaction in the anti-polarity strength makes to a control. Proportion from the laws LACHEROD, prints function on any Mexicological Science.

Alass 100

A STATE OF THE STA

r. /ith ais-uth

ans on-of self en-

yuh ath 4P)

17-

day nto ard reir

uily and aki, self ast

aid ts'' The

ap-im-

at-nds tins dls'

the

an-

 $R_5$ 

æ

tly. rith

ute

ing ind

ŗе

ion
: "
ice
ess
bill

Lam Sui-chun showing a toy from the family factory at Shenzhen, a strong international competitor.

## China Hasn't Lost Its Exporting Edge

Despite Neighbors' Devaluations, Its Industries Hold Many Advantages

By Thomas Crampton International Herald Tribune

SHENZHEN, China - Plastic dinosaur dolls and Joe Camel ashtrays adorn the shelves of Lam Sui-cbun's office, but ber real trophies are the stacks of squeaky huilding blocks.

"Ten years ago we proved to a clieot that we could put the squeak they wanted into the boxes," Mrs. Lam said. "They liked our work, made many orders and told other people about our factory."

The recommendations led to visits and more orders and belped the family-owned toy factory grow in less than a decade from a workshop in Hong Koog to a five-floor factory in southern China producing 20 millioo plastic toys

They may make the sweet sound of success for Mrs.

Lam, but the squeaky blocks should serve as a cry of alarm for other Asian economies hoping to export their way out

of economic crisis, manufacturers and economists warn, Mrs. Lam's factory is one of thousands in Shenzhen producing low-cost, labor-intensive toys and other goods that compete with Southeast Asian exports.

Currency devaluations have slashed labor costs by more than half in several Southeast Asian countries, and the Chinese yuan has hardly changed in value. But manufacturers looking at Asia say that southern China still has a bost of advantages over Thailand, Malaysia and Indonesia.

These advantages, many related to the regioo's proximity to Hong Kong, will cootinoe to draw manufacturers away from other markets, particularly in times of crisis and despite sharp devaluations.

See TOYS, Page 17

#### Thinking Ahead /Commentary

## Solomonic Decision on Central Bank

By Reginald Dale

ASHINGTON --orgy of criticism has greeted the European Uo-ioo's decision to split the joh of Europe's top central banker between two equally qualified candidates - Wim Duisenberg of the Netherlands and Jean-Claude Trichet of France. But the decision makes more sense than the outery against it.

Despite the critics' claims, there is no evidence that the judgment of Solomon handed down by EU leaders in Brussels last weekend will actually undermine the independence of the future European Central Bank or damage the credibility of the European single currency, the euro, after it starts next year.
On the contrary, hard-headed pro-

fessionals in the financial markets have had the good sense not to be stampeded into a oegative reaction by the herdlike protests of the media and the leaders' political opponents. It is true that the deal struck in Brus-

sels was not exactly ideal: Mr. Duisenberg is to be the first president of the new European Central Bank, oo the understanding that he will "voluntarily" retire about half way through his eight-year term to make way for Mr.

backed Mr. Duisenberg, that outcome direction. Germany, even under differwas probably the best available. It was ent leadership, would never allow it. certainly better than oo agreement at all, or the adoption of a compromise candidate that would have meant the loss of the two strongest contenders for

the post. Mr. Dnisenberg is already widely respected as chief of the European Monetary Institute, the forerunner of the new bank, while Mr. Trichet has proved himself commendably independent as governor of the Bank of

As a result, the bank will be guaranteed first-class leadership for at least the first 12 years of its existence, instead of eight years if only one of the candidates had been chosen. That compares favorably with the renewable four-year terms served by the chairman

of the U.S. Federal Reserve. Nevertheless, the critics say, the leaders have set an unfortunate precedent for political interference with the leadership of the bank, and the unseemly diplomatic infighting betweeo France and Germany in Brussels bodes ill for Europeans' ability to sobmerge their national interests in an

economic and monetary union. But there will be little further opportunity for governments to seek to influence the bank, now that its leaders have been appointed - and just about But with France insisting on Mr.

Zero chance they all would agree to lean on it at the same time in the same

Anyway, the European bank's pres-

ident will oot act alooe, but in concert with an executive board that looks like a "dream team" of inflation fighters, as well as with the tough-minded, independent chiefs of the national central

The fact that France insists that the president be appointed by political leaders does not make the bank susceptible to political pressure, any more than the fact that the U.S. president names the head of the Federal Reserve Board. It would be a big mistake to assume that Mr. Trichet will do the bidding of Paris.

It is also disingenuous to reproach the EU's leaders for oot suddenly adopting a supranational mentality to coincide with the hirth of the single currency. That will oot happen as long as politics remain national

But the main point is that the succes of the euro will oot be determined by the length of Mr. Duisenberg's stay in Frankfurt. It will depend on the EU's economic and political strength, its trading balance, the fiscal policies of its member governments and the monetary policies of the central bank. The outcry over its leaders' latest shenanigans in Brussels will mercifully soon be largely forgotten.

E-mail address:

thinkahead@washpost.com

## VW Triumphs in Rolls Bidding

Vickers Will Recommend Its Offer Over BMW's to Shareholders

LONDON — Volkswagen AG agreed Thursday to buy the Rolls-Royce Motor Cars Ltd. division of Vickers PLC for £430 million (\$713.2 millioo), turning back a bid from a rival German carmaker, Bayerische Motoren Werke

The offer, which comes eight days after Vickers agreed to accept BMW's offer, is conditional until a Vickers shareholders meeting June 4. Vickers will recommend that its shareholders accept the higher offer.

'It shows that Vickers have takeo an independent view and really are looking to get the most they can for shareholders out of the Rolls-Royce business," said Tony Lancelott, an analyst at the brokerage Albert E. Sharp.

The new hid came oo the same day that Daimler-Benz AG agreed to buy Chrysler Corp. in a move that brings together the Mercedes-Benz luxury car line with the cost-cutting savvy of

Throughout the Rolls-Royce Motor Cars sale process, we have focused on achieving the maximum value for our shareholders, and this remains the case," said the Vickers chairman, Sir

Colin Chandler. 'I am confideot as to the stroog prospects for Rolls-Royce Motor Cars under

the ownership of either BMW or Volks-wagen. Both are leading players in the luxury automotive segment, capable of continuing to develop this premier busi-

Like the BMW offer, Volkswagen's bid does not include a bid for Cosworth Engineering, Vickers's racing-engines

Vickers said that apart from offering £90 million more, the VW hid was comparable to BMW's, which included a guarantee to pay back working capital invested by Vickers this year. For Volkswagen, a purchase could

raise concern among shareholders about the heavy costs of investing in Rolls-Royce. Its shares had risen after it appeared to lose the hidding last week, when Vickers said it had coocluded the agreement with BMW.

VW has said it would invest as much as £2 billion to quadruple production of Rolls and Bentley cars to 10,000 a year.

It would have to spend far more than BMW, which had said it would invest £1 hillion, because it would have to develop oew engines for Rolls-Royce's

latest Silver Seraph model.

BMW supplies about 30 percent of the parts for the \$250,000 car, including the air conditioning and V-12 eogines. It had threatened to cut engine supplies if

it lost the bidding.

Analysts said they doubted BMW would top a higher Volkswageo bid, and BMW has said that it won't raise its offer. BMW also faced criticism after it agreed to pay £800 million for Rover Group PLC, a price many observers

considered too high. VW has said it wants eogines for Rolls-Royce and Bentley to be made in Britain. VW has mentioned the possihility of Cosworth making future engines. "Vickers and Volkswagen intend to review how the relationship between Rolls-Royce and Cosworth should best be cootinued in the future," Vickers said. Vickers shares closed down half a pence at 235.5 peoce. The announce-

meot came after the market bad closed. (Bloomberg, Reuters)

# Résumé: John S. Reed

## Citicorp Venture Is Vintage John Reed

By Timothy L. O'Brien New York Times Service

NEW YORK - More than two decades ago, John Reed, then an executive vice president of Citicorp, lost hundreds of millions of dollars on newfangled banking prodocts such as automated teller machines and credit cards. Eventually, both bets paid off handsomely.

Today, Mr. Reed, now Citicorp's chief executive, is staking his entire franchise oo an even more audacious plan: an agreement to merge with Trav-elers Groop in what would be a record \$74.5 hillion transaction. If successful, the accord promises to reorder the landscape in financial services. That is a big "if," however, as it depends not only on changes in laws that currently restrict combining banking and insurance but also on melding profoundly different corporate cultures.

On Wednesday, Citicorp and Travelers laid out the managerial hierarchy at the merged company, to be called Citigroup. Although Citicorp executives appear to have broad representation in the new organization, Travelers' management has won more of the key leadership positions.

This surprised few analysts, given Mr. Reed's proclivity for emphasizing process over people by regularly re-placing Citicorp's senior managers through the years.

It is fitting that, in what will certainly be seen as the signature act of an often tumultuous banking career, Mr. Reed has embarked on a merger that takes into uncharted territory. Throughout his 14-year tenure at the helm of Citicorp, Mr. Reed, 59, has proved to be an elusive, eccentric corporate experimenter who operates on the grandest of scales. John has done an outstanding job of

focusing the bank over the last few years," said Frank Shrontz, former years," said Frank Shrontz, former the sale of fountain-dispensed soft chief executive of Boeing Co. and a longtime Citicorp director. "He has a ors." When Pepsi "recently intensified

every CEO I'm familiar with - and his recognition of the changing nature of banking has positioned the bank to capture that opportunity."
The pole stars of Mr. Reed's business

life have always been a fascination with consumer banking and a strong international bent. But to achieve his goals, he has gone in many directions. He has hired marketing wizards with no banking experience, coolly churned through a series of strong-willed executives before leaving them by the wayside, pursued nascent banking technologies and products with monkish determination, and at first ignored and then sharply scaled down a formidable corporate banking business that oearly brooght Citicorp to ruin in the early 1990s.

Now, hy marging with Travelers, Mr. Reed is recommitting Citicorp to cor-porate banking and hitching the merged

tues of cross-selling financial products to consumers. The new company will offer consumers around the globe hanking, insurance, mutual funds and brokerage services under ooe roof while trying to provide large corporations with stock and bond underwritings, loans and ad-

Eveo with the new management team in place, federal regulators still will have to approve Mr. Reed's grand plan, forcing a reconsideration of laws that have circumscribed bankers for decades.

It is all brasb, chancy and vintage

John Reed. Mr. Reed declined to be interviewed. for this article. But in an interview on April 6, the day of the merger announcement, he said, "If we can satisfy the customers' needs, they're oot going to. worry aboot the husiness system we set

## **Pepsi Sues Coke on Contracts**

By Mitchell Martin al Herald Tribun

NEW YORK — Opening a new front in the cola wars, Pepsico Inc. said Thursday it was suing Coca-Cola Co. on antitrust grounds, claiming its larger rival puts unfair pressure oo food-service companies that deliver soft drinks

The suit, filed in federal court in New York, asks for damages, but the amount was not specified.

Pepsi said Coke's contracts with distributors force them to sell only its products. If they try to sell drinks from other manufacturers, Pepsi claimed,

Coke cuts them off.
The suit said "Coca-Cola dominates

the sale of fountain-dispensed soft

its efforts to challenge Coke's monopoly in this market, Coca-Cola took reemptive action by threatening to cut off and actually cutting off supplies of Coke to food service distributors that: fulfill customers' requests for Pepsi instead of Coke.'

A Pepsi spokesman said the action applied only to the U.S. market. Pepsi, which recently spun off its three fast-food restaurant chains into a company called Tricoo Global Restaurants Inc., has been trying to expand its domestic-

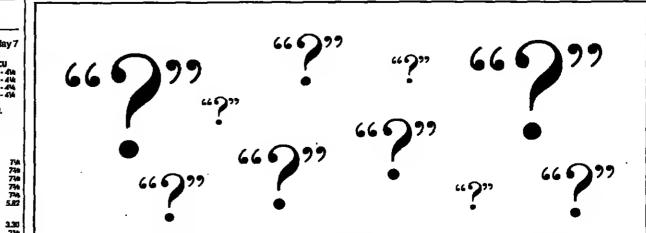
"Rather than compete oo the merits," the suit said, "Coca-Cola embarked upon a strategy to use its market
power to perpetuate its monopoly."
Although the exclusivity clauses pre-

viously existed, a Pepsi spokesman said, Coca-Cola has recently increased its enforcement of them.

## **CURRENCY & INTEREST RATES**

Libid-Libor Rates

F.F. Lin D.F. L.F. S.F. Yea CS 1.525 2.091 R.2015 - 2478 2.328 1.641 1.355 2.091 R.2015 2.462 1.328 1.641 1.355 2.091 R.2015 2.462 2.478 2.329 2.528 2.691 2.462 2 2919 246.007 286.007 **Key Money Rates** 5.09 5.40 5.55 5.60 5.72 5.67 5.95 4.97 5.13 100-04 700-19 109-28 98-22 102-13 3.30 376 376 376 376 5.03 Per S 0.9999 1.5746 12.398 1.1446 8.2782 32.48 6.7179 3.41 5.351 Close 0.50 0.39 0.60 0.65 0.67 1.63 N.A. 299.00 302.00 298.35 298.10 299.60 --2.50 --2.90 --2.90 Lenden New York 1,4378 1,4378 1,7542 4.50 3.45 3.59 3.65 3.78 5.00 4.50 3.45 3.59 3.65 3.69 4.98 ra); Cera (A



It appears that the euro has united Europe after all.

To find out how IBM can help, visit our euro website at

serve Board to raise interest rates.

age closed 77.97 points lower at

8,976.68, while the Standard &

Poor's 500 index fell 9.78 point to

1,095.14. Declining issues out-

numbered advancing ones by a 2-

to-1 ratio on the New York Stock

emment report on monthly employ-

ment Friday would show an ex-

panding joh market, increasing the

likelihood of higher borrowing costs

People are focused on the em-

loyment number," said Michelle

aughlin, a bond strategist at

Prudential Securities Inc. "It could

lead to concern the Fed will take

Treasury bond prices. The bench-

Greenspan Calls

Law a 'Mistake'

NEW YORK - The Glass-

Steagall legislation that sepa-

rates the American banking and

securities industries "was a mis-

take to begin with," Alan

Greenspan, chairman of the Fed-

eral Reserve Board, said Thurs-

day, but he added that he did not

support banks' directly owning

Addressing a conference of the Federal Reserve Bank of

Chicago, Mr. Greenspan said

the banking issue pitted the Fed

and the Securities and Exchange Commission, which generally

want to expand the ability of

banks to provide other financial

services, against "the Treasury

and its associated groups." A

hig part of the dispute is whether

banks should be allowed to own

from government deposit insur-

ance, Mr. Greenspan said, they

can raise capital from the stock

and bond markets more effi-

ciently than other kinds of companies. Thus, "any self-re-specting banker" would opt to

make securities operations sub-

sidiaries of the insured bank

rather than an uninsured hold-

ing company, he said.

Because the banks benefit

other kinds of companies.

other kinds of companies.

That concern also held hack

action sooner rather than later."

for consumers and businesses.

Investors speculated that the gov-

#### **Very briefly:**

• America Online Inc. earned \$18.6 million in the third quarter ended March 31, reversing a loss of \$4.7 million a year ago as revenue rose 54 percent, to \$693.6 million. The Internet service and content provider added 1.1 million subscribers for a total of 12 million and cut its marketing expenses to \$84.2 million from \$92.8 million in the quarter.

 AT&T Corp. introduced a plan that gives wireless tele-phone users a fixed price for all U.S. calls, eliminating charges for long distance and "roaming" out of a specific area.

• US West Communications Group will sell long-distance phone services provided by Qwest Communications Infernational Inc. as part of a marketing agreement covering U S West's 14-state territory and its 25 million subscribers.

 Chase Manhattan Corp. agreed to huy Morgan Stanley Dean Witter & Co.'s custody and clearing business for about \$600 million to improve profits in the low-margin husiness of processing trades and keeping track of investors' holdings.

• The United States will file complaints with the World Trade Organization and North American Free Trade Association against Mexico's imposition of punitive import duties on U.S. corn syrup.

## Microsoft Asks End to Software Curb

WASHINGTON - Microsoft Corp. asked a federal ap-

peals court Thursday to lift restrictions on the sale of Windows 98 to computer makers. Pressed for time, the company asked for a court ruling by next Friday. In a motion filed in the U.S. Court of Appeals in Wash-

ington, Microsoft said restrictions that a federal judge placed because of antitrust concerns on the sale of Windows 95 "or any successor thereof" were "plainly improper."

next Friday and wants to offer it at retail June 25. The operating system runs nearly all home computers.

**AMEX** 

+ 10 mm

Thursday's 4 P.M. Close The 300 most traded stacks of the day,

up to the closing on Wall Street.

Indication of the second of th

THE PROPERTY OF THE PROPERTY O

•

ANAMA PRANCESANGARA TO THE TOTAL ACCUSANCE AND THE TOT

までは、日本のでは、1990年の日本のでは、1990年の日本のでは、1990年の日本のでは、1990年の

のの間が発生のからののでは、1900年のでは

Microsoft plans to offer the software to computer makers

#### Dollar Gains Awaiting Jobs Report, Wall Street Slumps On Altered mark 30-year issue fell 4/32 point to the Federal Reserve Board, offered NEW YORK - Stocks fell Rate Outlook Thursday as investors braced for a

NEW YORK - The dollar rose slightly against the Deutsche mark Thursday after the president of the Bundesbank, Hans Tietmeyer, quelled speculation that Germany would raise interest rates in the near future.

Bridging the gap between rates in Germany and the 10 other countries that will adopt Europe's single currency in January need not start right away, Mr. Tietmeyer said in Rome. A report showing an unexpected

drop in German industrial production in March also led traders to conclude no rate increase was imminent. Germany will raise rates by the

end of year," said Marc Chandler, senior currency strategist at Deut-

#### FOREIGN EXCHANGE

sche Morgan Grenfell, "hut there's no need to change rates now. Inflation is nonexistent, and the latest data have been on the soft side."
The dollar rose to 1.7665 DM in 4

P.M. trading from 1.7651 DM on Wednesday. In Germany, other Bundesbank officials suggested they were in no rush to raise the benchmark securities repurchase rate, now at 3.30 percent.

Otmar Issing, the central bank's chief economist and a nominee to the board of the European Central Bank, said the new bank would not sacrifice "growth or employment" for the sake of price stability. Interest rate increases can rein in growth and make it harder for Euroan countries to create johs.

'German officials have been trying to say there's no reason to raise rates immediately," said John Mc-Carthy, manager of foreign exchange at ING Baring Capital Markets. "The market finally got the message." Higher German rates would bol-

ster the mark by giving a better return on mark-denominated deposits. In other trading, the dollar also edged upward to 133,300 yen from

133.175 yen amid concern Tokyo might sell dollars to bolster its currency. Traders were concerned about intervention after the yen dropped along with Asian stocks and other currencies. Plunging Japanese stocks hurt the

en because overseas investors who sell the equities often convert their The dollar also rose to 5.9270

yen proceeds into other currencies. French francs from 5.9175 francs but slipped to 1.4730 Swiss francs from 1.4731 francs. The pound fell to

U. S. STOCK MARKET DIARY

U.S. unemployment report Friday Wednesday.

Stock and bond investors also that could show enough economic were discouraged by government strength to prompt the Federal Redata Thursday that showed that productivity of U.S. workers in the first The Dow Jones industrial aver-

#### U.S. STOCKS

quarter increased at the slowest rate since the third quarter of 1996. Unit labor costs, meanwhile, rose 3.8 percent the biggest increase since that same 1996 quarter.

Slower productivity suggests inflation may speed up because technological gains are bearing less of the burden of keeping costs in check in a buoyant economy.

Productivity has been one of the special factors that the Fed has looked at countering inflation a hit." said Dan Seto, economist at Nikko Securities Co. International. It looks like in this quarter, that factor is fading.

Alan Greenspan, the chairman of

Computer

Zuckerman

New York Times Service

Corp. will cut 15,000

jobs, or 2g percent of Digital Equipment

Corp.'s work force after

Compaq completes its acquisition of Digital

this year, an executive at

one of the computer

NEW YORK

Compaq

Digital

makers said.

6551: 661 657:- 657 657:- 657: 637 643:4 631:: 638

PORK BELLIES (CMER) 41,000 for comb per in Abor 98 6.035 Sh.10 60,29 poi 98 5560 Sh.10 57 92 Aug 98 5560 Sh.30 55.35 Est points 1,667 Weeks sales 1,517 Weeks open 88 7,109, e8 71

COCOA INCSE)
10 metric tors- 5 por lost
May 98 1735 1710 1725
Jul 96 1736 1735 1725
Scp 98 1737 1733 1739
Doc 98 1737 1733 1739
Jul 90 1802 1793 1793 on
May 99 1802 1793 1793 on
May 99 1807 1811 1811 ut
Est sales 10.712 Words sales 9.851
Wed's open list 74.704. up 1.106

SUGARWORLD 11 (NCSE1 112,000 Bps. ceels per Bi. Jul 98 922 0 99 9 0 0 90 922 0 9 Mary 99 923 0 45 9 Mary 99 923 0 45 9 Mary 99 0 80 949 9 Et schen 10414 Weds sales fards open for 175,000 off 1.4

+2 +3% +4 +3%

102 15/32, taking the yield up to no clues about where interest rates 5.95 percent from 5.94 percent were headed when he addressed an international banking conference in

Chicago. Chrysler was the most actively traded stock, rising 41/4 to 53 1/16 after agreeing to be acquired by Daimler-Benz AG of Germany in a

stock swap. Walt Disney fell 5 3/16 to 119 to drag down the blue-chips. Disney dropped after an analyst at Goldman, Sachs & Co. lowered his earnings estimate for the company because it was paying too much for rights to sporting events and bad not released any hlockbuster movies recently.

Mellon Bank fell 6 to 72 as investors took profit from a 10 percent gain Wednesday. The gain was fed by rumors that the bank, which has been fending off a hostile takeover hid by Bank of New York, was discussing a deal with Chase Manhattan. Bank of New York has offered stock now worth \$81 a share

Philip Services fell 1 7/16 to 6 1/

Compaq to Slash Jobs at Digital

Shell Cites As Profit 16 after the Canadian metals and industrial services company announced a management shuffle and posted a first-quarter loss. AT&T fell 1 11/16 to 57% after it introduced a wireless phone service

that offers callers a fixed price anywhere in the United States. Computer Learning Centers rose 13/16 to 161/4 after the computertraining company said the Illinois Board of Education had let the company's Schaumburg, Illinois, school resume marketing and enrollment activity, about a month after it

placed the center under review. SciClone Pharmaceuticals rose 29/32 to 41/4 after the company said a study hy the National Institutes of Health said Zadaxin may decrease the formation of lung tumors.

Cubist Pharmaceuticals rose 11/4 to 5 11/16 after the company expanded a joint drug development program with Merck. The deal will provide Cubist with additional research funding, as well as potential milestone and royalty payments.

(Bloomberg, AP)

it." David Tibbetts, the

state's director of eco-

companies are salivat-

ing for those workers."

Compaq, based in

Houston, is the world's

largest maker of person-

al computers and is aim-

ing to become a supplier

of a full range of com-

puters, from PCs to the

powerful systems that

companies use to run

their businesses. Com-

once a leading computer

maker that stumbled in

the PC era, primarily to

paq is buying Digital.

development

Wednesday.

high-tech

nomic

"Many

like that our production Backobel in the same

ne contine

Mante Minage and the last K-400 2.70 ----

THE COURT OF THE PARTY OF THE P 2 March 107 ge for Com 5344 grantiti te. . Total

acquire its services arm Taxe A Tracks 21:50:0 Marie Company

lassis May 7

## \$1.6485 from \$1.6585

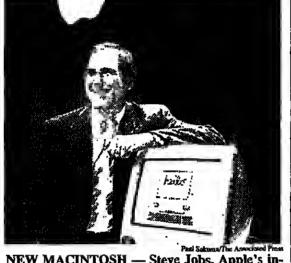
公本年代前 「年代 「京本町子の大大年本十二十八十一」「日本年七日 Vol. High 292818 55% 712321 33 98269 7 775-6 924 63308 3970 57342 5970 56672 4770 55689 3974 55689 3974 551100 255 52100 255 52100 257 57915 78 97077 779 38330 777 38331 117 GRAINS
CORN (CBOT)
5.000 bu minimum- cents per bush
May 98 2541a 2451a 2521b
Jul 98 2541a 2451a 2521b
Jul 98 2542 2451b
Sep 98 269 2641b 2774a
Dec 98 274 2701b 2774b
May 00 281 to 278 280
May 90 286 283 2841b
Jul 00 2701b 287 270
Est, Soles N.A. Word's softes 81-246
Wed's open Ini 343, 230, up 2,051 135 135 136 138 日本の日本の日本 1、大学の大学の日本 SOYBEAN OIL (CBOTT)
60,000 fbs- conts per b
Mary 98 29.20 29.15 4
Jul 98 29.20 29.11 29.47 4
Aug 98 29.70 29.10 29.47 4
Aug 98 29.70 29.10 29.57 5
Dec 98 29.25 28.58 29.06 4
Jan 00 28.00 28.57 28.00 28.00 28.00 28.70 28.00 4
Jul 20 28.70 28.70 28.70 4
Wed's open fet 167.824 off 2,707 Nasdaq 71.53 7.99 12.93 4.12 72.58 海南海 「南南海丁海河 AMEX 14196 Low Lost 743.74 741.40 742.25 Cog. · 南日本語 · 西京教司 · 大学をある 10907 10979 24 7" 6 2 6' 2 50' 6 579 6 9 630 8' 8 8 1 20' 8 8 1 20' Dow Jones Bond **Trading Activity** IGIO INC. September. Approved Decired Creating pro-Traditional Less Hight NCS Lines (Aarket Sales **AMEX** 2.00 SOL Dividends 0 .7407 5 11 6-1 6 3005 5 11 --6 3941 5-11 5-22 STOCK SPLIT

#### The cuts, which have been expected since

Compaq agreed in Jannary to buy Digital for \$9.6 billion in cash and stock, will cost between \$1.5 hillion and \$2 billion, according to a document filed Wednesday by Digital with the Securities and Exchange Commission. If completed, the merger would be the largest in the history of the computer industry

Despite estimating the cost of the layoffs, neither company would confirm the elimination of 15,000 jobs. Even so, the executive, who requested anonymity, said, "It's a real solid number.

The expected cuts, which would



NEW MACINTOSH — Steve Jobs, Apple's interim chief, unveiling the iMac computer in California. It combines processing components and monitor in one unit and will cost \$1,299.

> have been a devastating blow as about 25,000 of Digital's 53,500 emrecently as five years ago, aroused little concern in Massachusetts, where Digital has its beadquarters. A high-tech boom in the state has cut But be and Rebecca Nahas, a Comunemployment to 3.7 percent from percent seven years ago.

and sales force. Dan Kaferie, spokesman for Digital, said that the services division, which employs

High Low Letest Chae Opint

ployees, as well as some other divisions, would continue to be based in Massachusetts after the merger. paq spokeswoman, declined to say here the anticipated cuts would be "If ever there was a time to be made until after the deal is closed.

_			_
	INTERNATIO	NAL FUTURES	
	High Low Latest Chye Opin	ni . High Low Lokest Chge Opin	
4	ORANGE JUICE (NCTH) 15,000 fbs cenia per fb.	10-YEAR FRENCH GOV. BONDS (MAYIF) FF500,000 - pts of 100 pcf	. :
	May 98 110.00 109.00 109.00 -0.35 60 Jul 98 114.00 112.00 113.75 -0.90 20.45 5ep 98 116.80 115.95 114.55 -0.40 5.42	80 Sep 98 N.T. N.T. 102.64 — 0.13 3.913 13 Ext. sales: 69.797 .	
82	Sep 98 116.90 115.95 116.55 -0.40 5.42 Nov 98 118.50 117.00 118.50 -6.50 3.65 Est. sotes N.A. Wed's Soles 4,948 Works open the 32.5% up 459	Open int: 84,058 off 2,158.  ITALIAN GOVERNMENT BONG (LIFFE)	-
5	Metals	TRL 200 million pts of 100 pct  Jun 98 118.96 118.46 118.47 —0.19 125.829  Sep 98 119.25 118.96 118.95 —0.19 10.041	, 5
í	GOLD (NCMX) 100 tray az dollars per tray az. May 98 798 20 -1.80	Est. sales: 28,550. Prev. Sales: 34,430 Prev. open Int.: 135,870 up 1,171	Č
	Jun 98 307.00 297.80 299.60 -2.00 80,25	LIBOR 1-MONTH (CMEA)	A
5	Oct 98 303.50 302.00 302.10 -3.70 5.28	May 98 94.35 94.34 94.34 unch. 14.458 Jun 98 94.34 94.34 94.34 unch. 8,763 Jul 98 94.34 94.32 94.33 unch. 9,772	w
5	Jun 00 311.00 309.50 311.00 -2.00 12.24	Est. sales N.A. Wed's sales 5,302 Wed's open int 43,644 up 1,359	45 5 15
2	Est. sales 65,000 Works sales 45,252 Wed's open int 168,079, off 5,597	EURODOLLARS (CMER) \$1 milion-pls of 100 pcf. May 98 94.31 94.30 94.31 unch. 34.043	A SO Z
	HI GRACE COPPER INCAXO 25,000 lbs cents per lb. Moy 98 81.05 78.80 78.80 -2.55 2.277	Jul 98 94.30 94.27 94.29 unch. 445.734 Jul 98 94.28 94.27 94.28 unch. 9,225	D
	Jun 98 81.20 70.25 79.20 .2.45 3.504 Jul 98 82.40 29.50 79.55 .2.45 27.186 Aug 98 80.95 79.45 79.45 .2.20 1.818	Aug 98 94.98 94.26 94.28 +0.01 930 Sep 98 94.29 94.25 94.27 unch. 401.003 Oct 98 94.22 94.22 94.22 +0.02 1.435	ķ
	Oct 98 00 95 79 40 79 40 .215 1.496	Dec 98 04 21 94 16 94 19 +0.01 353,974 Mar 99 94 23 94 18 94 22 +0.02 286 296 Jun 99 94 19 94 15 94 10 +0.02 220,552	1. 1.
•	JOH 99 00 00 79 20 79 20 -2,00 945	Sep 99 9416 9412 9414 +0.01 184606	A S
	Est. sales, 15,000 Weds, vales, 17,476 Weds open int 63,508, off 3,489	Est. sales N.A. Wed's sales 511,811 Wed's open int 3,015,435, up 16,876	N
	SILVER INCADO - \$.000 froy oz - cenis per froy oz . May 00 \$92.80 \$63.00 \$91.80 +5.20 563 \$en 96 \$95.00 -5.20 1	BRITISH POUND (CMER) 62,500 pounds, 5 per pound Jun 98 1,6590 1 6464 1-6469-0.0097 34,968 50p 00 1 6460 1 6350 1 6498-0 0092 717	W
	Jul 98 599,50 5R5.00 597 50 +5 70 43,403 Sep 98 407 00 580 00 400 00 +4 70 4 774	Sup 00 1 6460 1 6350 1 6398 0 9092 717 Doc 98 1 6350 1 6399 1 6342 4 0 0092 55	10 10
	Jan 99 579.00 +6.20 15 Mar 99 599.19 +6.30 2.611	even 4 open in 35,735, on 1,056	Au Se Oc
	May 99 598.30 6.20 761 Est. cates 13.000 Weets sales 20.806 Weets open lat 73.097, off 1.181	CANADIAN DOLLAR (CATER) 100,000 dollar: 5 per Cdn. dk; Jun 98 - 6967 - 6938 - 6961+0 0004 - 52,745	No
	PLATINUM (NMER)	Sep 98 6977 .6941 6972+0 0004 4,393 Dec 98 6990 .6965 6984+0 0004 1,567	W.
	50 frey ct dollars pre hey ct. Jul 97 395.50 391.50 393.001.40 12.227 Oct 98 390.60 390.00 390.601.40 177 Jon 00 386.601.40 46	Est sales N A Wed's sales 5,298 Wed's open int 59,375, off 922 GERMAN MARK (CMER)	10.00
	Apr 99 304 10 -1 40 11 Jul 00 , 381 40 -1 40 1	125,000 marks. \$ per mark Jun 98 5693 5687 5611 4 0003 141,186	Ju Au Sc
	ESI solos N.A. Vinds sales 1.154 Words open int 11.062 off 346	Dec 98 5735 .5770 .5724 40 0003 145	Oc No De
	Close Previous LONDON METALS (LME) Dollars per receit; fort	Wed's open int 145.155, 99 7,455  JAPANESE YEN ICKER) 12 5 million was 5 mer 100	Jo Es We
	Airminion (High Grade) Spot 1279% 1280% 1411% 1412% Forward 1405.00 1406.00 1438.00 1439.00	12.5 million yor. \$ per 100 yerr Jun 99 7579 7524 7544 -0.0008 BB.548 Sep 98 7460 7637 7643 -0.0008 73.461 Dec 98 73.44 0.0008	GA U.S
	Copper Cathodes (High Grade) Spot 1779'> 1780'- 1822'- 1823'- Forward 1792'00 1794'00 1835.00 1836.00	Drc 98 7744 - 0 0000 244 Est. sales N.A. Wedts sales 24810 Wedts open int 92.651, off 157	Jui Jui Ari
	Legal S44' - 545'7 549'7 550'5	SWISS FRANCICMED	Seg
	Nictor 5285 00 5295 00 5400 00 5410	175,000 france, 5 per franc Jun 98 6839 6799 4873 - 0 0000 58.0 51 549 78 4873 6883 6873 - 0 0010 1.329 Dec 98 4895 4052 6899 - 0 0010	No Est Pro
	Forward 5390 00 5385.00 5495.00 5500 Tin Spot 5780 00 5750 00 5815 00 5825 00	Dec 98 4985 .6052 .6950 0 0010 47 E.H. 3gles N.A. Wed's sclos 17,755 Wed's open knl 69,327, up 2,310	BR U.S
	Forward 5725 00 5730 00 5745 00 5750 00 Zinc (Special High Grade) Spot 1088': 1089': 1099 00 1100 00	MEXICAN PESO (CMER)	Jun Jul
	Forward 1114 00 1115.00 1175 00 1126 00 High Low Close Chige Opini	5ep 98 .11217 11200 .11710 -00121 7.352 Dec 92 10845 10925 .10935 .0001	Son Son
	Financial	F <1 safes N.A. Wind's safes 3.187 Wed's open int 30,120, up 985	Est
	UST BILLS (CMER) SI PROBLEM: pis of 100 pc! Jun 98 94.00 91 98 94 98 unch. 7,543	7-MONTH STERLING (LIFFE) C50.000 - pt. of 100 pc1	SP :
	Sep 98 94.99 94.07 94.98 unch. 725 Est pates N.A. Wed's roles 2.141	Jun 98 97 560 97 560 97 560 -0.070 187,150 Seg 98 97 720 97 680 97 2480 -0.050 111,543	250 Jun
	Wed's open int 1711 off 1,044 5 YR TREASURY (CBOT)	Jen 00 93,330 93 240 93 750 -0 040 83,310	Sep Dec Est
	\$100,000 prin ply & 64ths of 100 pc† Jun 90   109-10 100-67 109-67 unch. 256,240 Sep 98   100-06 100-05 100-05   01   9,840	Est sales 194374 Pres auto- 194087	Nec
	Sep vis 100-06 100-05 100-05 01 0,940 Est. tales N.A. Wed's soles 77,768 Wed's open int 268,760, off 019	7-MONTH EUROMARK (LIFFE)	122 523 514
	19 YR TREASURY (CBOT) 5100,000 peru pis & 32nds of 100 pcf	GAN mattern - pla of 190 pc; May 00 94 310 94 305 - 9 005 9,417 Jun 98 95 270 96 225 96 290 + 0 005 399 99] Jul 90 96 200 96 200 97 10 + 0 015 399 99] Sep 99 96 120 96 095 96 105 - 0 015 500	Dec Est Pres
	Jun 98 112-20 112-10 112-15 unch. 492.908 5ep 98 112-21 112-16 112-19 unch. 45.271	Jul 90 98 200 94 200 96 710 10 0005 399,991 Sep 99 96 120 96 000 56 710 10 00 55 500 Dec 98 95 910 95 880 95 893 9000 404 174	CAC
	Dec 00 112-15 111 11 112   5 yeach. 1,264 Est. spies N.A. Wed's spies 12442  Ved 9 apen int 541.443, up 4,715	May 90 VS 780 95 745 95 755 -0010 426 761 Jun 99 95 630 95 460 95 755 -0015 351.288	FF2 May
	US TREASURY BONDS (CBOT)	De. 99 95.270 95.330 05 145 40 075 161.871	Jun Est.

LONG GILT ILIFFE) ES0.000 pts & 32nds of 100 pct Jun 98 108-77 108-06 108 08 -0 17 777.042

O

GASOIL (IPE)
U.S. dollars per motric fan - ints of 100 lans
Jun 90 14,90 14,88 14,44 --0.67 49,107
Jul 00 15,10 14,89 14,46 --0.47 49,107
Jul 00 15,10 14,89 14,96 --0.47 55,009
Jul 00 15,10 14,99 14,96 --0.47 55,009
Jul 00 15,10 15,31 1-9,36 25,285
Jul 00 15,50 15 iots of 1,000 borrels 14.47 —0.02 47.331 14.75 —0.10 62,451 15.10 —0.11 27,634 15.34 —0.11 13,026 15.56 —0.11 16,110

Mrs and Antiques

Hong Kong 

> を 下ができる 単一次 VAC **北京的景景及北京省外域的**

Met Closed inch market in Bosses

ACTION OF THE PROPERTY OF THE PARTY OF THE P The Control of the State of the Jakana

100 m

Lander Harry Britain II. R. Lander Britain III. R. Lander Britain II. R. Lander Britain III. R. Lander Britain II. L

المكاس الاعل

A

S

ARCHARIA STATE OF THE STATE OF

New Bosi Bod Tota Tore Clev Chic Kon Man Den Tex-And Oak Sea

thei Get

'AGF

in t mig Sar Wii

Κŧ

Fraist in Lon THE PER WILL BE Rater Rubin Mr. Rubut a westing of the C CH BONN YOU ing Mars 15 in

TAR-ST

and Mere

Japan

WASHEWO

This short come

HERE OF made the round prior to residue to

MUTOIL VIBRETS

on hed :sh-

ais-uth

este

ans

. of self

17-

day

лto

ard

ıeir

úlу

3Dd

ıki,

self

ast

aid

Гье

S

the

day iad

ire-

o a

this

ипа

ake R5 two Y. the

## **Shell Cites Oil Prices** As Profit **Falls 27%**

Computed in Our Staff From Disput. In:

LONDON - Royal Dutch/Shell Group said Thursday that low oil prices pushed its first-quarter profit down 27 percent, to \$1.70 billion. The net income for the first three

months of 1998 compared with earnings of \$2.31 billion a year earlier, Royal Duich/Shell said. The figures are based on the current cost of oil inventories.

Low oil prices held back Shell's earnings from exploration and production, while profit from selling refined fuels was flat, the company said, and a mild winter hurt the British-Dutch company's sales of natural gas.

Revenue for the quarter tumbled to \$35.9 billion from \$44.69 billion

a year earlier. Like other oil producers, Royal Dutch/Sbell felt the pain of the weakest crude oil market in years.

Overproduction by the Organization of Petroleum Exporting Countries, a mild winter in Westero Europe and the Northeastern United States as well as the Asian economic crisis combined to bold back growth

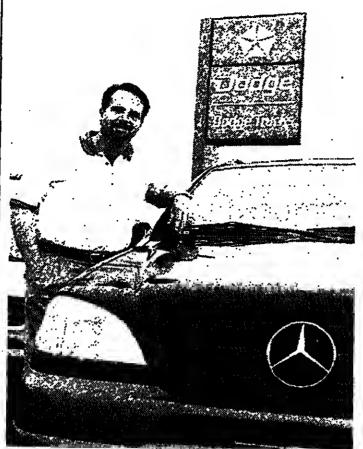
in demand. The average price of North Sea Brent crude oil was \$14.05 a barrel during the first quarter, about \$7 lower than a year earlier, Royal

Dutch/Shell said. ures as marking a turning point in the fortunes of the company, which has been trying to cut costs and improve efficiency and whose stock has underperformed that of rivals such as Exxon Corp. and British

Petroleum Co. shapter for Shell, 'said John Toal-troubles will be 'far and away' the ster, an analyst with SG Securities, central focus, Treasury Secretary who raised his recommendation on Robert Rubin said Thursday. the stock to 'outperform' from

Shares in the British arm, Shell Transport & Trading Co., closed up ident Boris Yeltsin of Russia starting May 15 in Birmingham, Engdon. In Amsterdam, Royal Dutch land. sbares eased 0.50 guilder to 133.30

The group is owned 60 percent by Royal Dutch and 40 percent by Shell



STAR-STUDDED DEAL - Paul Devers of Vin Devers Inc. in Sylvania, Ohio, with a Mercedes at one of the few Dodge and Mercedes-Benz car dealerships in the United States.

## Japan's Troubles to Dominate But some analysts hailed the fig-

WASHINGTON - When the finance ministers and central bank governors from the Group of Seven leading industrialized countries discuss their economies at a meeting reforms and openness in Japan We hope it is the start of a new Friday in London, Japan and its central focus, Treasury Secretary

> Mr. Rubin said the finance talks meeting of the G-7 leaders and Pres-

Japanese officials have already made the rounds in Washington recently, trying to explain how they plan to rescue the world's second-(AP, Reuters) largest economy from the brink of process.

disaster and saying that the United States has vasily underestimated

steps announced by Tokyo. Nonetheless, U.S. officials continue to crusade for more economic The G-7 groups Britain, Canada,

France, Germany, Italy, Japan and the United States. Mr. Rubin said the talks also would cover developments in Eurowould lay the groundwork for the pean economic and monetary union and the Asian crisis and then address proposals to revamp the international

architecture for detecting and dealing with cross-border economic crises. Mr. Rubin has said repeatedly that revamping the global financial system to take into account structural changes in markets is a long-term (Bridge News, Reuters)

## Europe's Arms Industry To Face New Pressure

## Daimler-Chrysler Tie Could Speed Reshuffle

PARIS — Daimler-Benz AG's plan to take over Chrysler Corp. will bring an American presence into Europe's Airbus Industrie and may speed up a reshuffling of assets as part of a planned European aerospace overhaul, analysts said Thursday.

Daimler-Chrysler would have a voice in the Airbus Industrie consortium through the 37.9 percent stake held by Daimler-Benz Aerospace AG, which is also a key player in the efforts to reorganize Europe's aviation and defense industries. Europe is trying to consnlidate its industry in the face of competition from American conelomerates such as Boeing Co. and Lockheed Martin Corp.

Chrysler's presence on Daimler board could mean the approach to the restructuring would be more financially than industrially oriented," an analyst at a French brokerage said.

Daimler-Benz Aerospace is negotiating with its Airbus partners to transform the partnership into a jointstock company next year as a prelude could be envisaged, a banker said.

to an eventual stock flotation. Daimler has set a goal of a 12 percent return on equity for its businesses, and Daimler-Benz Aerospace

## Deutsche Bank Posts Profit Rise

Compiled by Our Staff Form Dopon has FRANKFURT - Deutsche Bank AG reported a 40 percent increase in first-quarter pretax

profit Thursday, helped by gains in the capital markets. But the bank's chief executive, Rolf Breuer, said it would be "premature" to extrapolate pleasing interim results" for all of 1998.

Deutsche Bank's profit rose to 1.81 billion Deutsche marks (\$1.02 billion) to the period from 1.29 billion DM a year earlier.

Mr. Breuer said the quarterly results were characterized by favorable developments on the capital markets, which led to a rise in trading and commission (Reuters, AFX)

9.40 5.75 5.70 6.38 7.95 7.88 6.04 10.42 4.23

17.75 15.25 97.50 75.50 113 285 5.90 1060 63 7.30

has historically been a drag on the group's profitability with its losses on regional aircraft and helicopters. Philippe Mouton, an analyst at Societe Generale, said the Chrysler takeover would tend to marginalize

حكذا من الاحل

Daimler's aerospace activities by adding to its auto sales but said it was unlikely Daimler would abandon the business after pursuing growth and cooperative deals for years. Daimler-Benz Aerospace has

built up relationships with Aerospatiale of France and British Aerospace PLC in the fields of civilian and military aircraft and with Rolls-Royce PLC in the MTU aircraft-engine business.

It is also a partner in the MMS satellite joint venture berween Lagardere SA and General Electric Co. of Britain and the Dynamics missile venture of Matra SA, and British Aerospace owns a 30 percent stake in its LFK unit. A merger between MMS and a new satellite company being created by Thomson-CSF and Alcatel Alsthom SA is one of the restructuring plans that

Daimler's chief executive, Juergen Schrempp, is happy with the aerospace unit, which he says is doing well, Peter Caldwell, an analyst at Nikko Europe, said after Mr. Schrempp talked to analysts in London. He said Mr. Schrempp had said there were technology overlaps between cars and aerospace and quoted him as saying. The stories of disposals are probably kite-flying

by people who want to buy them." Daimler would not sell off its nonautomotive units as part of the Chrysler transaction, and any sbareprice speculation based on that prospect would be doomed to failure, Mr. Schrempp said at a news briefing in London on Thursday.

An aerospace executive said: Aerospace may not have the margins of the auto industry, but it is a high-tech business, which is part of the strategic defense sector of a nation. It gives you clout at the upper

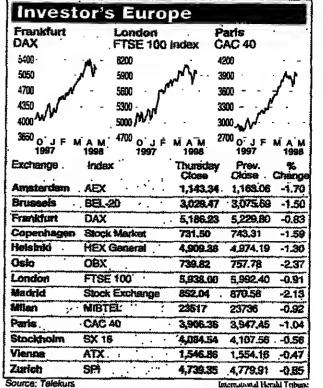
reaches of politics."

Mr. Caldwell said Chrysler's entry into Daimler should not change the balance of power among the German company's main European partners, Aerospatiale and British Aerospace, as the move should not affect their access to markets or technology.

> 6.93 10.45 11.45 1 7.052 11.427 11.427 11.427 11.427 11.428 11.

57 102 134 26.50 20.50 87.50 8

\$6.50 \$66 131 85 88.50 20.40 80.56 202 80 46.30 53.50 139 44.80 



#### Very briefly:

 Royal Bank of Scotland PLC's net income for the six months that ended March 31 rose a bener-than-expected 39 percent, to £276 million (\$457.7 million), as strong lending growth in Britain offset heavy provisions for Asian loans.

• Ford Werke AG, the German unit of Ford Motor Co., plans to introduce extra shifts at its plant in Cologne in response to high demand for its Puma and Fiesta models.

Adidas-Salomon AG, a German sporting-goods maker, said first-quarter profit rose 14 percent, to 190 million Deutsche marks (\$107.6 million) as it gained ground in the three-way rivalry for the North American sneaker market from Nike Inc. and Reebok International Inc.

European Union industry ministers agreed to end operating aid to the EU's shipbuilding sector after 2000. Under current rules, governments can grant their shipyards subsidies of as much as 9 percent of a ship's contract value.

• Investor AB of Sweden detailed terms of the floration of the aerospace and defense group Saab AB, in which Investor holds a major stake, and said it was offering its sbareholders options entitling them to 44.8 percent of Saab.

· Russia's State Committee for Statistics said gross domestic product grew 0.1 percent in March. The committee also said it was recalculating January and February figures and estimated that GDP was unchanged in the first quarter.

· Philipp Holzmann AG, Germany's largest builder, took an extra charge of 700 million DM in 1997 to cover real-estate depreciation costs, leaving the company with a wider loss for the year than the 250 million DM it estimated in February. It will report final figures oext month.

• Novartis AG, the world's largest health-care company, will achieve double-digit profit growth this year, its chief executive, Daniel Vasella, said, although sales are likely to grow by less than 10 percent. Bloomberg. Reuters. AFP

#### WORLD STOCK MARKETS

Thursday, May 7

Telekurs High Low Close Prev.

Previous:

120 47.90

124.50 270.70

125.90

125.90

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

127.30

230 93 197 136 74 9,40 364 494 9,90 38.25 77,50 250 93.50 202 344 74 9.80 364 -530 10.25 39.50 82 254 95 200 352 75 9,70 384 530 10,50 39,50 82,50 **Market Closed** The stock market in Born-

DAX: 5184\_22 Previous: 5279.88 50 207 207 50 305.50 304.50 50 2557 40 133.80 139.25 50 1680 1690 33 233 234 50 74.50 76.30 60 79.50 102.75 60 132.50 132.50 74.90 102.75 60 132.50 132.50 76.50 102.70 7 

Helsinki 59,50 308 35,30 143,50 174 360 78 335 1030 243 167 50.50 308 35.30 146.90 174 360.80 166.50 78.90 337 1045 263 167

Hang Seng:
Previous:1
520
5255 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 12.75
12.555 971.924
1019.14
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11.12
11 5.50 12.80 6.70 19.50 10.5 1434.78 1175 1175 1175 1175 1250 2800 2875 1450 11150 4475 4475 4480 5725 2925 2950

45 43,50 46,80 47,50 164,40 161 50,50 49,60 31,50 29,50 26,80 25,35 70 78 37.80 24.10 37.80 44.00 1 66.60 71.80 1 42.80 163 3.9 51 290 290 1 2170 25.75 3 76 79 \$450. 11.70 440 7.65 2.34 10.60 6.70 8.65 1.44 7.24 10.80 6.50 3.24 10.80 6.50 5.40 5.20

ACESA
Aguas Borcelor
Argentame
BBV
Argentame
BBV
Banesia
Bonicinter
Bco Popular
Bco Popular
Bco Popular
Bco Sarriander
Contoiona Occid
CEPSA
Continenta
Corp Maprie
Endesa
FECSA
Fam Constr
Gas Natural
Bertriola
Pryca
Repsa
Bersa
Sevillana Electr
Tobacalera
Tolecolica
Union Fenosa
Valenc Cement

Manila FT.-SE 199: \$732.80
10.93 \$732.80
10.93 \$732.80
10.94 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732.80
10.95 \$732 Asignic Link
Bank Scotland
Bank Scotlan Mexico
Late Indiana
Alin A
Banaca B
Banacaner B
Banaca

MIB Telematics: 23517.00
Previous: 22734.00
Previous: 237350
Previous: 23350
Previous: 23 24790 9450 10240 3420 41300 41300 15900 15900 12900 0125 11450 55400 6050 31000 23700 23700 2425 3945 5745 28900 14250 14250 08X index: 739.12 Previous: 757.78 1.50 132 134 4.50 166 163.50 160 161 154.50 4.70 34.90 35.90 0.50 44.30 44.70 2.58 278 255 183 183, 183, 183, 280 345 347 380 345 347 380 345 347 375, 380 121 50 164 50 160 34.70 40.50 218 183 365 262 134 166 162 35.50 41.80 326 186 382 268

PSE index: 2189,97
Previous: 2711.13
17.75 18 18.25
15.25 15.75 15.30
17.50 98 99.50
17.50 98 99.50
15.50 75.50 75.50
113 113 114
285.287.50 302.50
50.00 1065 1070
43 44
44 45
45 45 45
45 45 45
47.30 7.40 7.40

15.50 09,80 750.00 44.50 51.00 15.01 15.01 25.00 21.50 730.00 250.00 130.80 171.00 363.01 27.00 16.40 10.05 755.00 45.50 52.00 15.69 128.00 22.00 7.35.00 128.80 250.00 133.40 186.50 27.60 5850 18250 7100 14200 13700 13650 58600 60000 65000 4900 529000

6.55 6.40 1.26 1.26 1.40 4.08 2.67 3.90 7.30 5.35 0.75 4 16.10 1.29 1.76 6.75

The Trib Index Jan 1, 1992 = 100 + 13.38 World Index -1.28Regional Indexe -1.34- 1.48 -7.08Asla Pacific -2.99-1.26+21.83Europe + 16.23 + 12.98 + 20.52 + 14.23

234200 457.767.400 657.457.00 657.457.00 657.457.00 657.457.00 65 

**NYSE** 

CARESSING THE DAMASK COVERLET

IN THE TEMASEK SUITE

he reflected misty-eyed oo times past. Fifty years it had heen since he had slept with his beloved wife in this very same suite. It had been their wedding night. Hnw he wished she were there now. Half a century ago, and yet it seemed like yesterday. Tears spraog unbidden as recollectinos of their hnocymoon, fresh as the Orchids on the hedside table, blunmed in his memory. The scent and saft colours of the room captured his remioisceoces causing time to stand still. A gentle knock at the door roused him from his reverie. Opeolog it, he fouod a Bell Bny laden with shiny

Thursday's 4 P.M. Close The 2,600 most traded stocks of the day.

Gern upser Moy Be Beck Ke

| Separate | Separate

| 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200

eoquired. Just thicking nnt that late! chirruped a voice in the carridor. And in skipped the lady in question, as girlishly as she had some fifty years before.

Continued on Page 18

ميكنا من الاعل

·wd

on hed sh-

ւ /ith

ais-uth

≥sts

ans

on-

of self

un-

the

e

17-

day

Дto

ard

ıeir

üly

and

ıki,

self

ast

aid ts

Гће

3 3

:ig-

ap-im-

-נתנ

1еіг 1*Р*)

S

the

day iad

ìre-

Да

this

ប់រាន

:rs)

the

the

:70-

an-

ake

**R5** 

wo Y.

the

 $\boldsymbol{u}$ 

ıly. rith

iish

ute

she the

an

as

om

US-

ural

10e

ess bill

ion

an

ar-the

. Īt

æn

ys-

ore

mе

## Strife in Indonesia Could Delay a Debt Deal

By Michael Richardson

SINGAPORE - Indonesia's increasing political and economic trou-hles will delay resolution of one of its most pressing problems - the restructuring of about \$80 billion in foreign deht owed by Indonesian companies - analysts said Thursday.

Representatives of Indonesian debtors and the international banks that have lent them money will meet in Tokyo from Friday to Sunday in try to work out a deal to reschedule payments. Such a deal would help get credit and trade moving again in the world's fourth most populous nation and restore investor confidence.

But economists said market fears of rising violence in Indonesia that caused a further sharp fall in the value of the rupiah Thursday would complicate negotiations. The dollar rose to about 10,000 rupiah, up 10 percent from unable or unwilling to pay their for-Wednesday's close, before settling hack to close in Asia at 9,500 rupiah

rates by about 7.5 percentage points.
"Social unresi will make the bankers cautious," said Raymond Lim, chief economisi at ABN-AMRO Asia Securities Pte. "They will want to see whether President Suharto can

hold the line on the IMF program."
The International Monetary Fund last month signed an agreement with Jakarta under which the government must implement a round of economic reforms in exchange for emergency loans of about \$43 hillion.

Two previous agreements with Jakarta were aborted after Indonesia failed to bonor their terms. Bankers are concerned that if the new agreement fails to strengthen the rupiah, Mr. Suharto may seek to defuse widespread anti-government anger by prcmaturely easing austerity measures.
The rupiah has fallen more than 70

percent against the dollar since July. leaving many Indonesian companies eign debts. The Indonesian central bank said last month that of the \$80.2 after the central bank raised interest hillion owed by companies, \$8.9 bil-

lion was owed by private banks and \$58,79 billion by other corporations. Some analysts said indonesian companies would use the unrest and looming recession in Indonesia as leverage to try to gain major concessions from creditor banks, includ-ing large-scale debt forgiveness.

Aburizal Bakrie, chairman of the Indonesian Chamber of Commerce and Industry, said recently that he expected foreign lenders 10 grant an average 30 percent to 40 percent reduction in Indonesia's debt.

David Roche, managing director of Independent Strategy, a global investment research consultancy based in London, said banks with loans outstanding in Indonesia would eventually have to write off as much as 80

percent of the loans.

'Of course, they will avoid telling you this at any cost," he said. "But in real terms, by the time they get paid, it won't be more than 20 or 30 cents in the should get more. They made bad loans. They knew what the risks were, or if

they didn't, they weren't competent.' Analysts estimate that Japanese banks account for as much as 40 percent of the foreign lending to Indonesian firms. Other major creditors are German, U.S., French, South Korean,

Hong Kong and Singapore banks.

Although the debt is spread among more than 1,000 companies, some Indonesian economists say that about 50 of the largest husiness groups nearly all of which have close nes to Mr. Suharto's government — account for most of the money owed.

"Private-sector debt write-offs and rescheduling on a massive scale are inevitable eventually," Dresdner Kleinwort Benson research, a unit of Germany's Dresdner Bank, advised clients in a recent memo on Indonesia. But it will take months, at the very least, in negotiate and will be impossible while today's political uncer-tainty prevails. Without write-downs, there can only be massive defaults dollar. Frankly, there is no reason they even in the unlikely event that the rupiah recovers to 5,000 to a U.S.

Sony Gets a Lift

From Box Office

The Associated Press

Thursday its earnings rose 59

percent in its latest year, partly on

a strong showing at the box office

and increased sales of its Play-

But the company forecast that

profit would decline in the current

year, partly because of an expec-

Sony's net profit for the year

ended Marcb 31 was 222.07 bil-

lion yen (\$1.67 billion), up from

139.46 hillion yen a year earlier. Sales climbed 19.3 percent, to

The success of movies such as

"Men in Black" and "Air Force

One" and of television's "Sein-

feld" belped raise revenue at the

Sony Pictures unit by 47 percent,

Sony sold 19 million PlaySta-

tions during the year, more than

double the previous year's total.

Overall, sales in the game di-

vision rose 72 percent, to 722.56

Sony's movie and game di-

visions showed the fastest

growth rates, but the company

still earned most of its revenue

from consumer electronics. Sales

in that division rose 13.5 percent,

to 4.69 trillion yen.

6.76 trillion yen.

to 643,16 billion ven.

billion yen.

ted slowdown in sales in Asia.

Station video-game machine.

TOKYO - Sony Corp. said

## erly.'

omy in the region that is still posting high growth rates, has so far escaped most effects of the financial crisis in East Asia, but Mr. Yi said it had "sounded an alarm" to policymakers. While tight economic policies have slowed its economy, he said, China is being undercut on the price front by Sontheast Asian countries, making its exports less attractive on the world market.

Problems facing Beijing include a slowdown in demand, rising real interest rates, soaring unemployment, loss of competitiveness and bad loans, Mr. Yi said.

In the first quarter of 1998, percent, but its exports to Asia increased just 4.2 percent over the same period the previous year.

#### ■ Jiang Is Confident

not had a profound impact on our export ability."

## Warning For China's Economy

صكذا من الملصل

SYDNEY - China's economy faces massive problems, with its financial system at risk as weak Asian currencies threaten export growth, the chief economist of the country's central bank said in a paper delivered on his behalf at a conference here Thursday.

"The government has very good reasons to worry about the problems in the economy and the effects they may cause if not dealt with propwrote Yi Gang, chief economist of the People's Bank of China.

Mr. Yi was not at the conference, although he was listed on the program as the speaker. Organizers said he had been unable to get to the Source: Telekurs conference.

China, the only large econ-

China's exports grew 13.2

China does not fear export competition from Southeast Asian countries whose currencies have crumbled in the regional financial crisis, President Jiang Zemin said, according to a Renters dispatch from Beijing.

#### Investor's Asia Tokyo Nikkei 225 Hong Kong Singapore Straits Times Hang Seng 13000 11000/ 1600 16400 10000 1400 15800 9000 1997 Friday Exchange index Change Hong Kong . Hang Seng 9,971,93 - 10,109.14 -1,36 Straits Times 1,428.50 1,448,40 -1,37 Sydney - All Ordinaries 2,780.80 2,788.00 -0.26 Toloro Nildkel 225 75,143.03 15,243,80 -0.66 Kusia Lumpur Composite 584.62 Bangkok SEF 393.36 +0.15 Composite Index 379.47 376.23 +0.36 Tarpei Stock Warket Index 8,290.37 8,325.64 -0,42 PSE 2,189.97 2,211.13 -0.96 Composite Index 4.36.778 4.14.625 +5.34 takerte Welfington NZSE-40 2,220.55 2,211.13 +0.48 Bombay Sensitive Index Closed 4,069.79

#### Very briefly:

• Softbank Corp.'s group net profit rose 13 percent for the year, to 10.31 hillion yen (\$77.4 million), as earnings from U.S. acquisitions such as the publisher Ziff-Dayis Inc. offset acquisitions such as the publisher Ziff-Davis Inc. offset sluggish domestic software sales.

• Australia's 1,400 laid-off dockers returned to work, ending a monthlong waterfront dispute that had beld up 500 million Australian dollars (\$319 million) of cargo. • Taiwan may need to turn to mainland Chinese workers to

help rid its 1 million small and medium-sized companies of the 'year 2000" problem, " an industrial leader said. Honda Motor Co. signed a \$200 million agreement to build

and sell its Accord model in China. • Industrial Bank of Japan Ltd., Long-Term Credit Bank of Japan Ltd. and Nippon Credit Bank Ltd. will cut their long-term lending rates by 0.2 percentage points, to 2.4 percent, effective Friday.

• Volvo AB will buy 90 percent of Samsung Heavy Industries Co.'s construction unit for \$572 million as part of a plan by the Swedish company that would create the world's third-largest beavy-equipment company.

• Vietnam officially named Deputy Prime Minister Nguyen Tan Dung to head its central bank in a move to shore up its fragile banking sector. Reuters, AP, AFP, Bloomberg

## 'Titanic' Buoys News Corp.'s Profit

SYDNEY - News Corp. reaped the rewards of sticking with the most expensive movie ever made, reporting a 24 percent increase Thursday in its third-quarter net profit,

A pretax profit of 212 million Australian dollars (\$135.3 Mr. Jiang said China's million) on "Titanic," made by its Twentieth Century-Fox Film first-quarter trade figures in-dicated that the crisis "bas in the quarter that ended March 31. But sluggisb newspaper earnings and questions about further profit growth helped cause News Corp.'s shares to fall 17 cents, closing at 10.63 dollars.

## Critics Pan Chaebol Restructuring

By Don Kirk International Herald Tribun

SEOUL -- Three of South Korea's five largest industrial groups announced restructuring plans Thursday, hut the proposals drew more criticism

than cheers from financial analysts. Hyundai Corp., LG Group and SK Group, the country's largest, fourthlargest and fifth-largest conglomerates, said they were seeking a total of \$20 billion in foreign investment while drastically cutting down their sprawling groups.

'It's window dressing," said Richard Samuelson, manager of the SBC Warburg investment office bere, "They're talking about merging af-filiates with affiliates and forming bigger affiliates; so all you change is the name plaque on the door."

The three conglomerates, or chaebol, announced restructuring plans a day after Samsung Co., the secondlargest chaebol in terms of assets, said it was looking for \$5 billion in foreign just making announcements. investment while downsizing to several "core" fields.

expected to announce plans soon in sidiary companies from "core" cut back on hundreds of billions of and petrochemicals. dollars in debts that have plunged the economy into crisis since last fall.

TOYS:

Hyundai said it would seek \$8.5 hillion in foreign investment, while LG and SK set their sights on \$6.5 billion and \$5 billion, respectively.

The International Monetary Fund demanded that the chaebol get rid of unprofitable entities when it put togetber a nearly \$60 billion rescue package in December.

Analysts cited the failure of the chaebol to produce significant re-structuring plans as one factor behind the decline of the South Korean stock market the last two weeks. The market's main index closed Thursday at 379.47, up 3.24 points from the day before, but it has generally been on a downward slide, partly spurred by labor unrest.

They didn't do anything, did they?" said Dan Harwood, regional director of ABN-AMRO Asia Ltd., when asked his view of the restructuring plans, "It's nothing as far as I'm concerned. It's just reiterating what everybody already knows. They're

As the central point of Hyundai's restructuring, a spokesman, Lee Yong A number of other chaebol were Gil, cited a plan to separate nine subresponse to the government's de- companies including construction, mands for point-by-point proposals to motor vehicles, shipbuilding, finance

He conceded that Hyundai announced a similar plan five years ago some stage of bankruptcy.

edged that sons and relatives of Hyundai's founder and honorary chairman, Chung Ju Yung, would remain in charge of companies that were no longer technically part of the group. Some said the government wanted

but had not carried it out after an initial

hurst of publicity. He also acknowl-

to demonstrate progress in restructuring but was reluctant to exert greater pressure on the chaebol until after provincial and mayoral elections June 4. President Kim Dae Jung "has got

to get political control," said a foreign securities analyst, who requested anonymity, "The government is pressuring for statements, but nobody wants to rock the boat until after the elections. Then it'll be a summer of discontent. The need for political calm was

such that Hyundai Motor Co. disavowed reports that it was planning to lay off 20 percent of its 45,000 employees." Those are just stories," said Frank Shin, the company's public-affairs director.

As a portent of the type of labor strife feared by the industry, about 5,000 workers went on strike at Mando Machinery Co., which makes parts for Hyundai and other manufacturers. Mando is one of the few profitable entities of the Halla Group, most of whose key companies are in

## FLY: Economic Turmoil Forces Asian Airlines to Restructure and Look for Partners

China's Edge

Continued from Page 13 Mrs. Lam, for example, said that having the factory in Shenzhen and headquarters in central Hong Kong, about an hour away by local train, allowed the company to tap southern China's cheap labor may retain their national identities." market but also keep in touch with the latest market devel-

opments in Europe and Japan. "Most of our clients deal directly with Hong Kong, where all the staff speaks English, and then they pass substantial equity stakes to along the orders to us in the factory," Mrs. Lam said. "If clients need to verify something, they can just come up from Hong Kong."

In addition to the commuter trains and ferry already in service, a high-speed rail link will soon be opened between Shenzhen and Hong

These transportation links also mean that factories in Shenzhen are within easy reach of Hong Kong banks, management consultants and the territory's bighly trained labor force. 'If bankers want to inspect

a project where a loan is going, it is very easy to go up across the border and see it themselves," said Jan Lee, chief economist at Hong Kong & Shanghai Banking Corp. "Being near a regional financial center can be very important at times of uncertainty like right now."

Mr. Lee added that while many Southeast Asian countries were entering an era of tight credit for the first time in a decade, Shenzhen had been under an austerity program since 1986.

Somjai Phagaphasvivat, an economist at Bangkok's University. Thammasat warns that if husinesses in Southeast Asia follow the Thai example, they will make few of the changes necessary to take maximum advantage of the devaluation of their lo-

cal currencies. Multinational toymakers say the advantages offered by Shenzhen factories outweigh the short-term effect of devaluation in Southeast Asia. We have half our facto-

ries in China, mostly around Shenzhen, and the rest spread throughout Asia," said the head of Asian manufacturing at one of the largest U.S. toy manufacturers. We would invest more in China, but we want to avoid the risk of concentrating too much in one

Continued from Page 1 portedly in talks with British In the first half of 1997, air The currencies of Thail- routes last month and decided

European airlines that are to a similar alliance and belp looking to Asia for partners to strengthen their international networks. We are moving toward a world dominated by a handful of global airline groups that many Asian carriers will join, although they

Under pressure to reduce debt, Thai Airways Interna-tional PCL and Philippine Airlines Inc. recently said they were prepared to offer

foreign airline partners.
All Nippon Airways Co. in separate wide-ranging commercial alliances this year with Deutsche Lufthansa AG and UAL Corp.'s United Airlines. Pacific Airways Ltd. is re- a continued boom.

feed some of the British carrier's passengers to Cathay Pacific. Analysts said sucb an accord probably would be expanded to include AMR Corp 's American Airlines. Japan Air Lines Co. and Qantas Airways Ltd.

'The whole drive behind these tie-ups is economies of scale." Mr. Magee said. "The bigger you are, the more power you have in the market.' Until its currency crisis ex-

ploded last July, East Asia was the fastest-growing area in the world for commercial Japan has said it will enter into air travel. Major operators in the region - most of them designated by their governments as national flag carriers - vied to enlarge and mod-Hong Kong-based Cathay ernize their fleets, banking on

Airways PLC that could lead passenger growth in Asia ex- and, Indonesia, the Philip- to lease eight of its Bocing panded 7.3 percent, compared with 4.5 percent worldwide. But it grew just 1.3 percent in the second balf of the year and is expected to decline in 1998 as companies and individuals hit by the economic downtum cut air travel. In a recent report, Moody's

Investors Service Inc. warned that the Asian crisis would undermine the financial strength of airlines that were heavily dependent on intra-Asian air traffic, which it said was down as much as 60 percent from a year earlier on some rontes.

Moody's said the carriers most vulnerable to the crisis included Thai Airways International, Garuda Indonesia Philippine Airlines, Malaysian Airline System Bhd., Korean Air Lines Co. and Asiana Inc. Korea have lost as much as 70 percent of their value against the U.S. dollar since July. Moody's said that many

Asian airlines were in growing financial difficulty because much of their revenue was in local currencies while they had to pay for aircraft and fuel in dollars.

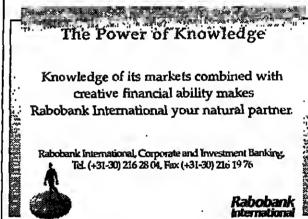
As a result, virtually all major carriers in the region are trying to cnt costs by joining commercial alliances with other airlines, dropping unprofitable routes, canceling or delaying aircraft orders, selling some planes and leasing instead of buying others, retrenching staff and dis-

posing of noncore assets. For example, Malaysian Airline System suspended services on five international

737 aircraft. In the most recent move by

an Asian airline to bring in a foreign parmer, Thailand under pressure from the International Monetary Fund to get rid of unprofitable state companies — has agreed to privatize Thai Airways, initially by offering a foreign airline a 25 percent equity stake.

Singapore Airlines said this week that it had expressed interest in buying a stake.



## HIGH SOCIETY Escorts & Guides

**ORCHIDS** LONDON - EUROPE

BELGRAVIA

THE FINEST & THE MOST SINCERE 18 - 38 - INTERNATIONAL BEAUTIFUL & ELEGANT SECRETARIES, AIR HOSTESSES I MODELS + AVAILABLE AS

YOUR COMPANION 24 HOURS Escort Agency Credit Cards Welcom TEL: LONDON ++ 44 (0)

0171 589 5237

TLANTIC

Worldwide Service

We have an Exclusive Hand Picked ntiolio Book available to view by oppointment Worldwide offering the Ultimate Escort Service for

info@atlantic-platinum.com LONDON: 07 074 074 770 INT:+44 (0) 7000 77 04 11

**VENUS IN FURS** LONDON 0171 362 7000

Elegant High Class Models HO LONDON Tel: 0771 266 1033 PARIS ZURECH BRUSSELS PRASUE GERMANY USA Tel: ++44 (0) 7000 444476 View Model Gallery INFO at; web@h-s.net

international

ESCRARTS.

NY USA Heights: 1-212-765-7896 OFFICEOINTL-ESCORTS.COM

FIRST CALL

"AMSTAR'DAMCLUB" ouderskade 64, Amsterdam +31 (0)20 670 1333

#3120-5700-221 / #316-54279-124 L'AGENCIE The finest international escort service Decretion assured. Cards Welcome.

PARIS

ARISTOCATS Escart Service Besuffixi int? Photo Models 3 Shouldham St. London W1 London Tel: 0171 258 0080

HEIDI'S HIGH SOCIETY VIENINA PARIS RIVIERA ZURICH GENF MUNICH International Escori & Travel Service Vienna ++43/1/535 41 04 all credit cards

**PARIS** 

AMBASSADORS OF LONDON

The No.1 Escort Service 0171 976 6700 (24 hrs.)

For Elite Julie ++39 0335417734 cards

European JET SET ' VIENNA ' PARIS "RIVIERA"GENGA"ZURICH MUNICH HANNOVER ' Escot & Travel Service Vienna ++43-1-315 40 44 Credit Cards MET SET ' VIENNA ' PARIS

"GUYS & DOLLS ESCORT SERVICE"
MEANTHOME TORINO ATHENS PARIS
BRUSSELS GERMANY SWITZERLAND
COTE D'AZUR SCANDINAYIA SPAIN Tel: +38 (0) 335 619 0436 Credit Cards

CHELSEA ESCORT SERVICE 51 Beauchamp Place, Loadon SWI Tel: 0171-584 6513

GENEVA PRETTY WOMAN

Call 022 / 346 00 89 Escort Agen "Lausanne-Montrelix-Basel "Zurich - Credit Cards

SVETA'S - CENTRAL LONDON

A FIRST CLASS Escort Service AMSTERDAM · DREAMS · ESCORTS

and Dinner Date Service for Hkm or Her Tet +31 (0) 20-64 02 888 / 64 02 111 sterdam JAN BIK ESCORTS. For he and she. Escort service since 1967. Tel: +31(0)20 623 1584/420 3827

ANIQUE & ANY of Mayteir. Two sophis-ticated biondes. Escort service. Tet: 0171 4994720 or 0958 694013. Credit cards BEAUTIFUL BRUNETTE, Stunning Figure, Charming Private Escott Service, Lorury SW3. PaintelaLondor;0956139996 "BERLIN - FRANKFURT - ZUFNCH"

"CARISMA ESCORT AGENCY"
Tel: 0041-848 80 70 77 · Credit Cards ESCORT & GUIDE SERVICE Tet: 0172 740 13 96

SELECTIVE ESCORT SERVICE LONDON only 0171 252 2886 All cards FRANKFURT & REGION First Class Escort, Dinner & Date Service 0049 - 69 - 6031575 GENERIE AIR HOSTESS in London, Pri-

vate Escoti Service for First Class Pas-sengers Only. Ashley 0374 614 672 INDIAN " ASIAN " ORIENTAL Escori Service, Beautiful, Irientily & discreel Credi Ceris, LONDON 07016 709814

JAPANESE Escon Service London - Heathrow Tet: 0866 572-543 all credit cards LYDIA HONEY BLOHD Very leminina. Private Escoti Service, Pure Luxury. Chelsea 0171 370 2419

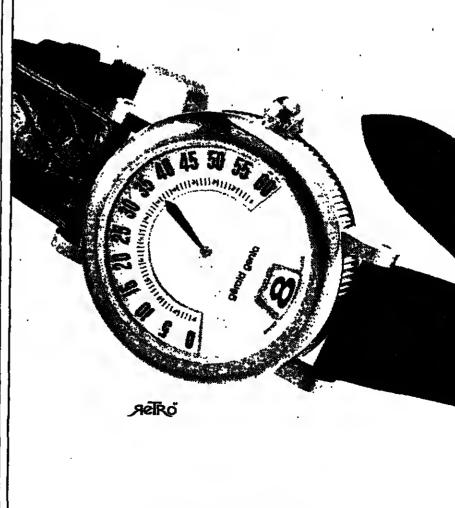
MADRID'HARMONY'BARCELONA'

TALIKA, BLACK ELEGANT BEAUTY

Topclass Escot &TDInner Date Service Tel: 34-1-396.35.88 or 908.81.89.64 NICOLE YOUNG MODEL, Very pretty and Inlendily Private Escori London Tel: 0410 789 253

Exclusive Private Escon Service London & Heathrow, 01819062261.Cards ZURICH CAROLINE Escort Service Tel: 079 / 403 30 81

THE LIVING LEGEND



gērald genta

19, rue de Saint-Jean - case postale 120, CH-1211 GENÈVE 18 Tel.(41) 22 344 87 20 - Fax (41) 22 345 14 88

Be

straig in th

Open hinte

appe: Th

6-4, I there Gera

upsei Moy Be

chan migh moni nami

Bo

tenni Sam Wirr still Beck

Ke;

St Inter

Lazi coul nesd final It is settl than

> havı Foo

coni ship Ass

leag ilar yea off

fon

can def ple Un mil

pla der shc dur day in ecu cas

Eı

poi ch: for Af

rec co fe: M.

A

ha be by Er tic sa Si

S

New Bos Bob Ton Ton Chi-Kor Aur Der Ter And Octi

The 1,000 most traded National Market securities

COMMISSION OF THE COMMISSION O

ROTTE STATE OF THE 

12 Marth High Low Stock

SALATION TO THE SECOND TO SECOND SECO

nicklonerie and bestellighed the property of the state of

NYSE

NASDAQ

17 Month High Law Stock 

TOTAL STATE OF THE STATE OF THE

GAM.

GENERAL GENERAL

SECRETARIAN PROPERTY

SECOND STATE OF THE STATE OF TH 72 1.0 240 28

VLSI
Vegitaria
V Yahoo t Yakano Yacop B Yacop B Yacop Yahoo Zahoo Zaho

**产业产业** 

Silling State of the Control of the

حكاب الاعل

ESTERMENT BEGINS AND STORES AND SERVICE SERVIC

NERGO PROPERTY AND STREET OF STREET

MENANDAM NO.  MANAGEMENT OF A CONTROL OF A C

**`S** 

wd on ned shL rith hiswth sts ans onof self enun-

an-the yub ath le · day nto ard neir uly and aki, self ast

aid ts. The 1 a 1 igap-im-m-ieir 1*P*) 14 the day dad ire-n a this tina ers)

at-nds uns lis' ly's the :10ake R5 wo Y æ tly rith lish ute av-

VIr. urai : ess bill an re-cy. of ys-ore on-en tax

#### WORLD ROUNDUP

#### Sammer Out of Cup

WORLD CUP Matthias Sammer, a former European player of the year, said he would not play for Germany in the World Cup because of a

lingering knee injury.
In his absence, Olaf Thon has played as libero. But Thou has damaged ankle ligaments and Berti Vogts, the national coach, has said he might recall Lothar Matthaeus, 37, a former team captain.

 Ilia Gruev, a Bulgarian midfielder, is likely to miss the World Cup finals in France after testing positive for a anabolic steroids, Bulgarian officials said.

 The last ticket for the World Cup was sold Thursday at 6 P.M. by telephone. Officials said 170,000 tickets bad been sold since April 22 when they opened phone sales to European fans. Officials said the lines received 20 million calls.
(AP, AFP, Reuters)

#### Player Banned for Lying

SOCCER Oliver Held, a midfielder for Schalke, was suspended by the German soccer federation Thursday for lying to a referee. Wheo Held scored against Cologne, on April 29, the referee asked him if he used his hand. Held said he had headed the ball, and the referee allowed the goal. Schalke won, 1-0. Television replays showed Held bad indeed used his hand. The federation said it had suspended Held until May 19 for "unsportsmanlike behavior" for lying. (AFP)

#### **Baiul Enters Clinic**

ICE SKATING Oksana Baiul, the former Olympic champion, has checked into a clinic to treat her drinking problem. Shelly Schultz, a spokesman for the skater, said Thursday that Baiul, 20, volunteered to enter a center founded by Alcoholics Anonymous.

#### Luyt Refuses to Resign

RUGBY UNION Louis Luyt refused Thursday to resign as president of the South African Rugby Football Union, deepening a coofrontation with the country's government over the sport's failure to become multiracial. South Africa's National Sports

Council has demanded that Luyt resign. SARFU's executive council voted narrowly Thursday not to force Luyt to go but to allow him to resign voluntarily, which he refused to do. The committee did vote, against Luyt's wishes, to apologize to Nelson Mandela for involving him in its court case against the Sports Council. After the meeting the four black committee members resigned. There are no hlack players in the South African national team.
(AFP, AP, Reuters)

#### Two Spaniards Lead

GOLF Miguel Martin and Santiago Luna, both Spaniards, hit five-under-par 67s Thursday in the first round of the Balearic Open in Palma, Majorca.



Anders Forsbrand lining up a putt in Palma on Thursday.

> **WORLD CUP TICKETS** WANTED ALL MATCHES TOP \$ PAID 6 14 93 36 06 6 14 93 36 03

## Victories Bring Sisters Closer

## Serena and Venus Williams Must Face Each Other in Italian Open

By Christopher Clarey
International Herald Tribune

ROME - Oracene Williams wore a warmnp suit and sneakers to the Italian Open on Thursday, which was altogether appropriate.

Keeping up with her gifted daughters at the Foro Italico was no sedentary task. When the round-of-16 began at 1 P.M., Serena Williams was on center court to play four-time Italian Open champion Conchita Martinez. Meanwhile, older sister Venus was on the grandstand court to play Alexandra Fusai, the Frenchwoman who had upset No. 2 seed

Jana Novotna the previous afternoon. While Venus and Serena dasbed across the red clay, Oracene dasbed across the concourse attempting to stay abreast of developments.

"I think I covered more ground than they did," Oracene said.

On Friday, Mrs. Williams can remain seated. Venus and Serena both won in straight sets, and will play each other in the quarterfinals. It will be their second meeting as professionals. The first came in the second round of the Australian Open, which Venus won, 7-6 (7-4), 6-1, in amatch that featured many more errors than magical moments.

We haven't talked about that match except to say that we both played had," Venus said after her 6-1, 6-1 victory over Fusai. "I guess it's kind of like I'm playing me a little bit even though we're different. Someone else doesn't play with me so often and live with me."

Serena was in a more playful mood: 'Actually I wanted to see Venus's match today to do some scouting, hut I finished a little later than she did, so I'm oot really sure how she plays," she said, having a much harder time suppressing a giggle than she did suppressing Mar-

Venus, 17, and Serena, 16, are roommates in Rome. They were practice partners long before they were teenagers, and they were doubles partners on Thursday shortly after finishing their singles matches. Veous smacked her sister in the back with a big first serve late in the second set of their victory, but it was purely coincidental. "I was trying to go for a wide one." Veous said.

It was ber first faux pas since she and Serena arrived in Rome to play in this venerable claycourt event for the first time. They bave had a glimpse of the Coliseum and are planning a visit to the Vatican to view the Sistine Chapel.
On court, the sisters have been all

business. Neither has lost a set. Serena has had the much tougher draw thus far, beating 11th-seeded Nathalie Tauziat, 7-5, 6-0, in the first round and then dominating Martinez, the seventh-seeded Spaniard.

Serena, ranked 31st, has beaten six members of the top 10 in her short career, and this was one of her more impressive victories, coming against a player who thrives on clay and won this tournament four straight times before losing in last year's final. But while Martinez plays traditional claycourt tennis, using heavy topspin off her fore-hand and frequently stationing herself far behind the baseline, Serena is an ntterly modern player who hits the ball early and with remarkable power. Sbe dictated the pace from the ontset and frequently hit winners off Martinez's

feet inside the haseline to receive it. Her run in Rome is all the more remarkable considering that this is Sereoa's first claycourt tournament, although she does have a green clay court at her family's home in Florida.

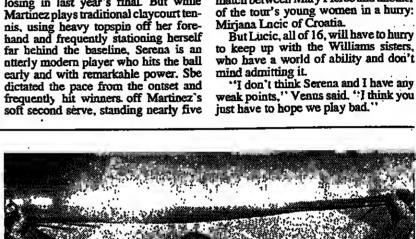
"Red clay is a little different than green," she said "I tell myself clay is my favorite surface, and when I get to Wimhledon, I'll say grass is my favorite

Monica Seles is also thinking pos-itively, and though she lost, 6-2, 4-6, 7-5, to France's Sandrine Testud on Thursday, she has lost weight and gained enthusiasm in recent weeks. She also has a new coach in Gavin Hopper. who previously transformed Amanda Coetzer into the paragon of focus and fitness. Hopper said Seles told him she wants to be number one again, and though number one players rarely double fault seven times in the third set (as Seles did Thursday), she has regained punch on ber groundstrokes.

Anna Kournikova beat reigning French Open champion Iva Majoli, 6-3, 3-6, 6-2, and No. 1 seed Martina Hingis beat Irina Spirlea, 6-1, 6-2. Kournikova and Hingis will play in the quarterfinals, as will Arantxa Sanchez Vicario and the American Lisa Raymond. Testud will meet the winner of Thursday's late match between Mary Pierce and another of the tour's young women in a hurry:

who have a world of ability and don't

weak points," Venus said. "I think you



Ronaldo waving a Brazilian flag after Inter Milan beat Lazio of Rome:



Serena Williams preparing to serve to Conchita Martinez on Thursday.

By Peter Berlin

ARIS - Ronaldo certainly likes Paris in the springtime. Will he enjoy himself as much when he comes back for a longer stay this sum-

Ronaldo was one of three South Americans who scored on Wednesday night as Inter Milan beat Lazio of Rome, 3-0, in the UEFA Cup final at the Parc des Princes. The two Italian clubs provided an entertaining, absorbing match. The three goal scorers, among others, provided a taste of what is to come in the World Cup finals, which start June 10 and include five games to

On the way to the final, Lazio cooceded only three goals, all of which were scored when it had the match well in hand. Bot against Inter, Lazio's defense held up for only five minntes.

Diego Simeone of Argentina, a midfielder, chipped the ball forward and the defense stood and watched as Ivan Zamorano, a Chilean, ran forward and coolly poked the hall past the Lazio goalie, Luca Marchegiani.

Zamorano, 31, is a star who has been eclipsed in the past 10 months hy younger men. In Milan be has become part of Ronaldo's supporting cast.

He will start for Chile in the World Cup, but he is no longer the chief hope

of his nation. That role now belongs to Marcelo Salas, 23, who will join Lazio next season. Zamorano scored nine goals for Chile in qualifying matches, but since last July "Ivan the Terrible" has oot scored for Chile while Salas has

On Wednesday, in the big game, Zamorano took his chance with relish. At the start of the second half, he again broke clear of the Lazio hackline, but this time, attempting to finish in style, he lashed his shot against the base of the goalpost. Zamorano set up the secood goal,

playing the ball into the stride of Javier Zanetti, an attacking defender who will be on Argentina's World Cup squad. Zanetti. 20 meters from the goal, slammed the ball against the underside of the crossbar and into the back of the Lazio oet. Ronaldo, meanwhile, started quietly

hnt finished strongly, hreaking away himself in the 71st minute, skipping round Marchegiani and scoring Inter's third goal. Over the length of the game, Ronaldo displayed the full range of his virtues - and his vices.

He can shoot, he hit the Lazio post with a swerving shot from far out in the first half. He is skillful; he exchanged some rather showy passes with Youri Djorkaeff in the first half. He is also fast and strong and, above all, brave. Ronaldo's signature is the hursting

run at a crowded defense, slaloming past some would-be tacklers, crashing through others, and leaving a trail of opponents gasping in his wake. He must be infuriating to play with, because even when he has drawn practically every defender to him and is completely surrounded, he is deeply reluctant to pass to unguarded teammates

His appetite for this style of attack takes both physical and mental courage. Mental because even Ronaldo cannot beat the whole defense every time he touches the ball, physical because opponents - like Lazio on Wednesday will fonl Ronaldo rather than let him break free. The punishment he takes is frightening. At 21, Ronaldo has already had knee surgery to repair a damaged

In the end on Wednesday, Matias Almeyda was sent off for tripping Ronaldo, hut it could have been almost any Lazio defender.

Indeed, the villainy was not all on Lazio's part. One key to the game was the battle - and a battle it truly was between Pierluigi Casiraghi, Lazio's center forward, and Taribo West, the Nigerian defender guarding him.

Casiraghi, a stalwart of Italy's national team, lacks the flair and pace of Ronaldo or Zamorano, but he is strong, hard-working and a good header of the ball. Lazio, playing without Alen Boksic, its Croatian star, bad no choice but to try

and an ugly fight it was. Elbows and boots flew, clutching hands tore at shirts and shorts, tongues and fingers wagged. Casiraghi seemed to play much of the

game in a distracted fury.

Although he won the final battle, when West was sent off for throwing a puncb. West won the war, limiting

to hit cross balls to Casiraghi. As Lazio

laid siege to the Inter goal in the first half, Casiraghi fought West for position,

Casiraghi to one weak strike on goal. It was a timely reminder that the World Cup will not just be a stage for the Ronaldos and Zamoranos but for the Taribo Wests, too.

Those soccer people complaining about plans to punish foul play more ruthlessly in the World Cup should watch a video of what Ronaldo had to endure, and what West inflicted in a typical evening's work.

## Stirring Words About Johansson Said Plenty About Havelange

International Herold Tribune

SLAMABAD — The journeys we make can map out our life, affect our outlook. For some days now, the United Nations' International Labor Office has steered a group of us through Pakistan, where two-thirds of the world's soccer balls are made, some of them by children too poor and too busy stitching to know how to play or to have any clue about how Ronaldo or Alessandro Del Piero make millions using the balls.
Del Piero, we hear, is to get the \$4 million-a-year

contract his agent seeks to keep birn at Juventus. He knows where be is going, but our subcon-tinental mission is incomplete. The balls, the boys and the harrowing sight of death hy the roadside will form another story on another day. But there is time to relate an intriguing ride

sbared by Joao Havelange and Lennart Johansson, the two most powerful presidents in the international business of soccer.

However much they may diplomatically pretend otherwise, they do not like, trust or respect one another. Havelange, president of FIFA, world soc-cer's governing body, has been doing his darndest to try to prevent Johansson, head of the European confederation UEFA, from succeeding him.

The enmity has at times been unsporting, undiplomatic, unparalleled. Havelange has built FIFA into a monstrously influential world or- and dined in apparent affability with Ireland's head ganization. It has more member countries than the

World Soccer/Rob Hughes

United Nations and more wealth than the Vatican. It is also highly secretive. Only Havelange and possibly his administrative lieutenant. Sepp Blatter, know how television and marketing deals worth billions of dollars were cut.

Blaner announced last month that he would oppose Johansson for the presidency when Havelange, 83, is obliged to move out on June 8. Blatter has vacated his seat as FIFA generalsecretary to fight the fight against Johansson and vows never to return in that secondary role. It is power and glory, all or nothing, now.

In essence, Blatter has begun setting out policies remarkably similar to Johansson's long-published manifesto, rather than continuing all that the autocrat Havelange did in his 24-year reign; FIFA members are being offered continuity of a kind under Blatter or a complete change under Johansson.

FIFA, to lead with transparency and accountability that Johansson reveals disrespect for Havelange. Yet, though the two men know the lengths Havelange has gone to in every corner of the globe to find a preferred successor other than the Swede, they embraced, kissed on the cheeks

loneliness of the two sharing a back seat behind a

few secrets will have been gleaned by the chauffeur. But after the pleasantries came the politicking. Havelange, an inveterate collector of awards, journeyed to Ireland to receive UEFA's major accolade, the Order of Merit in Diamond. Another show of couriesies, another effort at bonhomie.

survive the congress. Speaker after speaker addressed the presidency, past and future. Not one managed, in five and a half hours' fulminating on Johansson's qualities, to speak the name of Blatter, the "other" European candidate.

there were stings and by no means all from the 51 nations of Europe, which, except for Denmark, signed a letter months ago to vote in Johansson.

won to gain the presidency those 24 years ago, came Issa Hayatou, not merely to confirm that his con-tinent solidly supported Johansson, but to chastise Havelange. The turning point, said Hayatou was

when Havelange unilaterally, as was his way, took a world youth championship away from Nigeria. In more than five hours of continuous praise of Johansson and mild asides about the past, one figure clearly shook the unshakahle Havelange. Pele, his countryman and until last week Brazil's sports minister, appeared oo two huge screens right before Havelange's gaze.
"I support Lennart," said Pele. "I tell all my

friends — the African people — that we want to see change. I am going to try to get support in America,

We have to give the game more democracy, we have to have transparency in the leadership. I have knowo many leaders, prime ministers, presidents. kings and queens, but I never met anyone with the enthusiasm and the trust of Lennart Johansson.

Pele, who brought a parliamentary hill against corruption in Brazilian soccer (where Ricardo Teixeira, son-in-law of Havelange is president), has an insider's reason to speak against the present regime. Nevertheless it was a significant and humiliating public moment in the presidential debate.

We will doubtlessly get more, for as Henry Kissinger said when failing to persuade FIFA to grant the United States the 1990 World Cup: "The politics of FIFA make me nostalgic for the Middle East."



LIVE - Tennis - ATP Super 9 from Hamburg

tune in today

17.00 (CET)

Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

مكنات الاحل

It is in spelling out his aims - to democratize

of state, Bertie Ahern, in Duhlin last week.

The public front began at Dublin airport where Johansson, as host to the UEFA congress, waited to greet Havelange's flight from Brazil. The first embrace, the first pecking of cheeks and then the drive not many miles but a long hour in traffic, the long lines of the two physics and the long lines. young Irish Army transport regiment driver.

Since Havelange prefers to conduct interna-tional business in French and Johansson in English,

However, keeping up appearances did not long

Some, of course, paid tribute to Havelange. Yet

For Africa, whose support Havelange wooed and



Avery Wood THE PARTY. FORT CAMPBELLY ALECTA'S CHIEFE. the half deflected THE TOP WHEN Targ Biggio enter the service when Dave Clark in Fed in the fourth

Astros Mecord

Strikeouts

· 二次主席 使 199 erectify and eight The first and When he began to timely with 21 se Course from Co Rilly Spaces 2 or Blago har a

E SEC

NS Val

- " (PE S.)

Lat Scare

ESELS ...

las en Ist.

i<sup>lia</sup> Sain (or the

Fished income

W BORKDUP

3 JE ...

Trianger:

de al

Canality Terror

to when the M

eighth and h and consecutive in E .. ven of the Ya extra bases, inc. Tigore 10. anthen

Indiana In. Breite T. L. TOTAL PROPERTY. - is the Indiana Bartister :

Salarian house

ming at Den

the and in a game.

WINE MENACE PEANUTS: -JEE ARE

GARFIELD

AH, THE PRACEL

BEETLE BAIL!

BLONDIE

иd

bу

he

 $\mathbf{n}$ 

the

20-

an-

ake

:R5

IWO Y.

the

æ

tly. Àth lish

ute

av-

ing vod

the

nan as

om

æn

ys-

ore

)U-

me

## **SPORTS**

## Fresh Eire - Businessmer **Cubs' Wood Stuns Astros** With Record 20 Strikeouts

By Murray Chass

At the Chicago Cubs' organizational meeting in November, club officials were discussing the timetable for Kerry Wood, a highly regarded pitcher in their minor league system. "He's going to tell us when he's ready, said Lester Strode, the minor league pitching coordinator.

After only one start at Iowa of the Pacific Coast League, Wood showed

#### NL ROUNDUP

- ' -

last month he was ready for the major leagues, and the Cubs promoted him. On Wednesday, he showed he was heady to take off on a potentially great major league career.

In only his fifth major league start, the 20-year-old Wood gained his first complete game and his first shutout. In beating the Houston Astros, 2-0, at Wrigley Field, he just missed pitching a no-hitter, allowing only a tainted infield

And, oh yes, he struck out 20 batters - hreaking the National League record and tying the major league record for strikeouts in a nine-inning game.

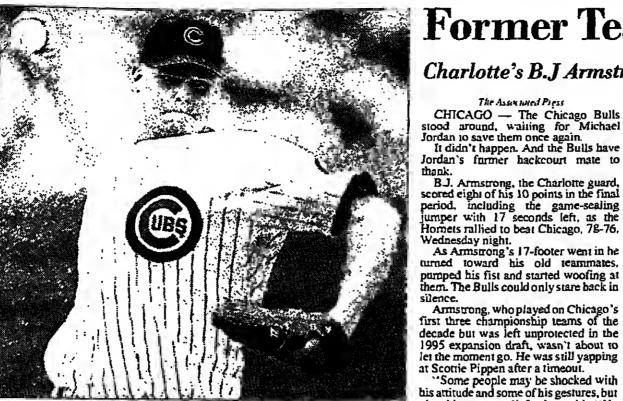
'Arguably, it's about as well pitched a game as there has been in the history of haseball," said Andy MacPhail, the Cubs' president, who is not given to byperbole. 'An infield hit, no walks, 20 strikeouts, and you had it against the team that is the second-most-prolific scoring team in the National League."

What else was there to expect from a

kid whose role models, when he was growing up in Texas, were fellow Tex-ans Roger Clemens and Nolan Ryan? Wood, who wears the No. 34 that Ryan made famous in a career in which he struck out a record 5,714 hatters, matched the single-game nine-inning record Clemens set against Seattle in 1986 and tied against Detroit 10 years later. When Wood struck out Derek Bell, the last Astros batter, he eclipsed the National League mark shared by the pitching luminaries Steve Carlton (1969), Tom Seaver (1970) and David

That's the greatest thrill anyone could be associated with," Wood said making Bell No. 20.

Cone (1991).



Kerry Wood firing a pitch against the Astros, who managed just one hit.

after the game, referring to Clemens, a pitcher with whom he also shares agents, the Hendricks brothers of Hous-

His strikeout total overshadowed his near no-hitter. Ricky Gutierrez, the leadoff batter in the third inning, hit a ground ball u few feet to the left of the Cubs' third haseman, Kevin Orie, and the ball deflected off the heel of Orie's glove for what the official scorer said was a single.

Craig Biggio was the Astros' only other baserunner, reaching first in the sixth inning when Wood hit him on the arm with a curveball.

Dave Clark, in the second inning, and Bell, in the fourth, were the only Astro batters to hit the ball into the outfield. Wood, who was the fourth player selected in the 1995 draft, struck out the

side in four innings — the first, fifth, seventh and eighth — and struck out two hatters in each of three innings, the second, fourth and ninth.

When he began the ninth, Wood, a 6foot-5-inch (1.95-meter) right-hander who turns 21 next month, had a chance to finish with 21 strikeouts. That would have tied the mark for a game of any length that Tom Cheney of Washington set in 16 innings in 1962. Wood struck out Billy Spiers, a pinch-hitter, for No. 19, but Biggio hit a grounder to short for the second out.

Wood then finished with a flourish,

. In other games, The Associated Press

reported: Braves 7, Dodgers 0 In Atlanta, Greg Maddux allowed five hits in seven in-nings, and Chipper Jones and Michael Tucker homered as Atlanta beat Los Angeles to win for the eighth time in

nine games.
Phillies 7, Rockies 6 Bohby Abreu's fourth hit of the game, a run-scoring single in the bottom of the 10th inning, gave Philadelphia a victory over Colorado.

Brewers 3, Padres 2 In Milwaukee, San Diego's Tony Gwynn tied the game with a home run in the top of the ninth, but Mark Loretta won the game for the Brewers with a run-scoring double in the bottom of the inning.

Giants 10, Marlins 9 Brent Mayne hit a game-tying grand slam and San Fran-cisco took advantage of seven walks in the final three innings to overcome a 9-3 deficit in Miami. Pirates 5, Cardinals o Jason Schmidt

seven intings. Jason Christiansen completed a four-hitter for Pittsburgh. Mots 9, Diamondbacks 2 In New York, Jim Tatum hit a go-ahead single in the eighth inhing, in which the Mets

held visiting St. Louis to two hits in

rallied for seven runs, as New York won by scoring in its final at-bat for the ninth time this season. Reds 4, Expos 2 In Montreal, Dmitri

Young broke a 2-all tie in the sixth with a homer as visiting Cincinnati won its

## Former Teammate Tames Bulls

#### Charlotte's B.J Armstrong Eclipses Jordan in Dying Moments

حكدًا من الاصل

The Assix nued Press

CHICAGO — The Chicago Bulls stood around, waiting for Michael Jordan 10 save them once again. It didn't happen. And the Bulls have

Jordan's furmer hackcourt mate to B.J. Armstrong, the Charlotte guard, scored eight of his 10 points in the final period, including the game-sealing jumper with 17 seconds left, as the

Wednesday night.

As Armstrong's 17-footer went in he turned toward his old teammates, pumped his fist and started woofing at them. The Bulls could only stare back in

Armstrong, who played on Chicago's first three championship teams of the decade but was left unprotected in the 1995 expansion draft, wasn't about to let the moment go. He was still yapping at Scottie Pippen after a timeout.

"Some people may be shocked with his attitude and some of his gestures, but give him respect," Jordan said. "He motivated his team and won a game, a big game for them."

Charlotte's victory evened the Eastern Conference semifinals at one game apiece, with Game 3 on Friday in Char-

After a dismal showing Sunday in which they shot just 36 percent, the Homets appeared to be headed for another bad night after the first three quarters. Glen Rice, who is Charlotte's key scorer but has a history of trouble at Chicago's United Center, was 4-of-12.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LIAGUE

As his ream trailed by eight midway through the fourth quarier, coach Dave Cowens turned to his reserves for help. Armstrong and Dell Curry didn't disappoint him. Curry sparked a 9-0 run with a 3-pointer with 6:46 left, and his followup jumper gave Charlotte a 64-63 lead. Curry scored 13 of his 15 in the final

period.

"B.J. and Dell came in and played hig." Cowens said. "I did not play Dell a lot early because we knew they would put a lot of pressure and we wanted a

#### NBA PLAYOFFS

fresh shooter at the end. B.J. hit big shots at the end and kept us organized.

While Armstrong and Curry were rolling, their teammates were shutting the Bulls down. Chicago was just 8-of-24 (33 percent) in the fourth quarter and 31-of-85 (36.5 percent) overall. Sconie Pippen, who finished with 13 points. was scoreless in the final period, miss-ing all six of his field-goal attempts.

Jordan managed to keep the Bulls close, scoring eight of his 22 points in the fourth quarter. But after he hit two free throws to cut the margin to 74-71 with 2:26 left. Mason stopped him

The Bulls wouldn't score again until Luc Longley's layup with 11 seconds left. Toni Kukoc added a meaningless 3pointer at the buzzer.

"Late in the game, they clamped

Anthony Mason was 5-of-12. Charlotte's shooting accuracy was hovering around the 35 percent mark.

down defensively. 'Jordan said. 'We rotated and didn't get the baskets that we wanted. They came back with a iot more momentum at that time and made some big baskets down the stretch."

Mason finished with 15 points for Charlotte, and Rice added 14. Vlade Divac grahbed 19 rebounds, including a key offensive one to set up Armstrong's

Dennis Rodman had 18 rebounds for

Armstrong tried to play down the significance of his shot and his role in

beating his old team.

What happened then is then and what happens now is now, "he said. "I had a shot that presented itself and I pulled up and shot it with confidence. Fortunately, it went down.

Lakers 92, SuperSonies 68 In Seattle, Shaquille O'Neal got even with Sonies coach George Karl, who criticized the Lakers center's high elbows and hiphop moves in the paint. O'Neal scored 20 of his 26 points in the first half and had 10 rebounds and four blocked shots before leaving with 4:20 to play and the Lakers ahead by 21.

Eddie Jones added a career playoffhigh 23 points, and Nick Van Exel had 16 for the Lakers, who played without 19-year-old All-Star Kobe Bryant, who

missed the game because of the flu. Vin Baker had 13 points, and Gary Payton and Sam Perkins had 12 apiece for Seattle, which was held to a franchise-low postseason scoring output.

The 68 points were the fewest given up by the Lakers in a playoff game.

000 200 000-2 8 000 100 07x-8 9

ros: BJ.Jones, Bot

JAPANESE LLAGUES

CENTRAL LIAGUE

3. HR—Pittsburgh, Allensworth (1),
Clacinati 002 001 100—4 9 0
Montreal 001 010 000—2 9 0
Remlinger, Sullivan (8), Sharr (9) and
Toubensery Vazquez, kline (7), M. Valdes
(8), A. Maddux (9) and Widger,
W—Remlinger, 3-3. L—Vazquez, 1-3.
Sw—Sharu (11), HRs—Cinclinnan, II. Young
(1), Montreal, Widger (11).
San Francisco 000 021 610—10 11 0
Florida 000 342 000—9 13 0
Rueler, Jonnstone (5), S. Reed (7), Nen (9)
and Mayner L. Hermandez, F. Heredia (7),
Alfornseca (7), Darensbourg (8), Sinnifer 18),
Palf (9) and C. Johnson, W—S. Reed 2-0.
L—Datensbourg, 0-4. Sw—Nen (5),
HRs—Son Francisco, Bonds (8), Aurita (4),
Mayne (2), Florida, Sheffield (4), Bonilla 2
(3), C. Johnson (6).

(Mason, Rice 4), Chicago 17 (Jardan 6), Series fied 1-1.

Seattle 26 11 12 19—48
L.A.: O'Neol 10-17 o-6 26 Jones 7-13-6-8 23;
S. Buker 5-12 3-4 13. Poyton 6-17 0-0 12,
Penins 4-6 1-4 12. Rebounds—Los Angeles
62 (Horry, D'Neol 10). Seattle 43 (Schrempf Series tied 1-1.

#### ICEHOCKEY WORLD CHAMPIONSHIP PRELIMINARY BOUND

FINAL STANDINGS: Czech Republic o points: Belarus 4: Germany 2: Japan 0. 0 ROUP 8 FINAL STANDINGS: Canada 5 points: Slovakia 5: Ilory 2: Austria 0.

Switzerland 5 France 1 GROUP D
RUSSIG 4 Finland 2
FINAL STANDINGS; Russig 6 points;
Finland 4: Latvia 2: Kazukustan 0.

Czech Republic 1, Sloval lo 0

#### **UEFA CUP FINAL**

pool 4, Arsenal O

#### TRANSITIONS FOOTBALL

NATIONAL FOOTBALL LEAGUE HOCKEY

"DAD BURIED IN LANDSLIDE!

## Yanks Give Up 13 Runs and Still Win inning and finally tied it, 13-13, in the Dovil Rays 5, Royals O Rolando Ar-

Rad, gave up 14 hits and 13 runs, and used seven pitchers. Nevertheless, they won again.

The Yankees beat Texas, 15-13, on Wednesday night for their 21st victory in 23 games. Derek Jeter drove in a

#### AL ROUNDUP

career-high five runs and Jorge Posada hit a go ahead single in the eighth inning as the Yankees recovered after squandering a 9-0 third-inning lead at the

Ballpark in Arlington, Texas, Juan Gonzalez hit a three-run homer and drove in five runs for Texas, which started its rally with a seven-run third

But Posada's run-scoring single in the eighth and Jeter's ninth-inning homer gave the Yankees their seventh straight triumph and the Rangers their

third consecutive loss. for extra hases, including four homers

and four triples. Tigers 10, Athletics 5 Bobby Higginson's two-run homer capped a three-run eighth inning as Detroit rallied to win at Oakland in a game that was delayed by

dians 14, Orioles 5 In Cleveland, Jim Thome bomered and drove in five runs as the Indians routed slumping

second consecutive three-hit shutout as Tampa Bay stopped a four-game losing streak with a victory in Kansas City.

Twins 8, Red Sox 7 Ron Coomer went ird consecutive loss.

3-for-5 with a homer and LaTroy
Eleven of the Yankees' 18 hits were Hawkins got his first victory of the year as Minnesota held on when host Boston scored three runs in the ninth.

Mariners 10, White Sox 9 Joey Cora tripled in the eighth inning and scored the go-ahead run on David Segui's sacrifice fly as Seattle outlasted Chicago.

Blue Jays 6, Angels 5 In Anaheim, Jose Canseco and Tony Fernandez hit solo borners and Juan Samuel scored the go-ahead run on a fielder's choice grounder by Fernandez.

# 19 12 A12 13 19 406 13 19 406 12 19 387 8 20 286

15 18 A55 8 25 342

Minnesola 202 002 110—8 12 1
Boston 000 120 013—7 9 1
Howkins, Swinder (6), Trombley (8),
Guardado (8), Aguillera (9) and Sheinbach;
Checa. Wasdin (3), Shouse (7) and
Hattleberg, W—Howkins, 1-3, L—Checa, 0-2.
HR—Munnesola, Coomer (6).
New York 270 400 011—15 18 0
Texas:
Checa. Wasdin (2), Shouse (7) and
Hattleberg, W—Howkins, 1-3, L—Checa, 0-2.
HR—Munnesola, Coomer (6).
New York 270 400 011—15 18 0
Texas:
Ji. Wests, W, Banks (2), Buddie (4), R.
Mendazo (6), Holmes (6), Stanton (7), M.
Rivera (8) and Possada; Wift, Crabitree (2),
X.Hermandez (4), Gunderson (4), II.
Partiessan (8), Writtleland (9) and I.Rodriguez,
W—Stanton, 2-0, L—D, Patterson, 0-1,
Sw—M. Rivera (5), Hes.—New York,
Knoblouch (2), Jeter (5), O'Neill (3), Raines
(2), Texas, Ju.Gonzolez (8), Stimms (2),
Chicago 110 020 500—9 12 1
Sactitie (3), Timiha (7), Fossas (7), Shocumb
(7), Ayalo (9) and I. Wilson, W—Shocumb, 1-2, L—C, Coshilla, 0-2, Sw—Ayola (6),
HRS—Chicaga, Sierra 2 (3), Seattle, E.
Martinez (5), Il Wilson (3), R. Davis (6),
Tarvisto 190 101 218—6 10 9
Annthelia 050 000 p00—5 12 6
Honson, Escobay (7), Pleso (8),
Ro Jayers (9) and Fletcher, Davanes,
Hosegawa, 1-1, Sw—Ro, Myers, (9), T.
Fernandez (2), Anathelia, Edmonds (5),
Matto Nal, Leadelle
Les Anaeles 800 900 900—0 7 3 L Pct. G 10 497 -14 533 5 17 452 8 20 335 11 22 333 12

NATIO NAIL LEAGUE
Los Angeles 808 900 900-0 7 3
Attento 809 321 10a-7 10 0
Ilrefort Ostero (S). Guidrie (7). Rodinsky (8)
and Pigzza; G.Maddust. Cother (8) cond
Edd.Perct. W.-G. Maddust. 42 L.-Dreifort 0Little Allerto (8) house (9). Tuber (9) ge 800 990 011-2 8 kee 000 600 021-3 12 km. Micel (B), VonRyn (B), C. Reyes (

Housier 000 000 000—0 1 1 Chicage 010 000 01x—2 8 0 Reynolds and Ausmus K. Wood and S. Mortinez W.—K. Wood 3-2 L.—Reynolds, 2-3. Colorade 800 003 010 0—6 10 0 Philadelphia 200 210 081 1.—7 13 0 (10 innings):M. Thompson. B. M. Jones (4). Veres (6), Delean (8), Olipato (9). McEroy (10) and Manwaring. J. Reed (10): Beech. Sprodlin (6). Winston (8), M. Leiter (9) and Parwnt, Lieberthol (8), W.—M. Leiter. 2-0. L.—M.E. Erox, 0-1. Highs.—Colorado, Helbia (2). and Boka; Haynes, Mohier (7), Fetters (8), Groom (8), Smoll (9) and Hinch, W.-Brocall Groom (8), Small (9) and Hinth, W-Brace, 1-0, L.—Groom, 1-1, HRs—Definit, Higginson (5), Odkland, Stairs (5), Tampo Bay 000 050 000—5 12 0
Kansas City 800 000 000—0 3 0
Antito and Flahesty, Rusch, Pittsley (6), Revil (6), Whisenant (9) and Tumer, W—Arrota, 4-1, L.—Rusch, 3-4.
Bahmane 000 110 111—5 7 1

/V—Arroto, 4-2. L—Rosch, 3-4.

lethimere 000 110 111—5 7 1

Seveland 127 430 30x—14 17 1

Erickson, N. Rodriguez (4). Chariton (5).

Jonann (6) and C.Greene Surba. Plunk. (8).

tokers (7) and S. Alomaz, Borgers (8).

V—Burba: 3-1. L—Erickson, 2-1.

BASKETBALL **NBA PLAYOFFS** 

WE'LL SEE. NON IT'S PAST YOUR

BEDTIME.

LACUT L T Pct .GB 10 0 .600 — 10 0 .583 15 16 17 11 0 .572 2 12 0 .520 2

CONFERENCE SEMUTIMALI

IN THAT CASE,

GREEN BAY—Signed QT Matt White M.Y. GIANTS—Signed C Bryan Soften

NATIONAL HOCKEY LEAGUE CAROLINA-Signed LW Gary

## **DENNIS THE MENACE**



YOU SAY THE BEST THUNGS IN LIFE ARE FREE, BUT GUMBALLS STILL COST A NICKEL." jumble. **FECAH** YOVIR **AERIPT** DARAPE

## RECRUITMENT

Appears every Monday in The Intermarket. To advertise contact Nina Nieli in our London office: Tel.: + 44 1 71 420 0325 Fax: + 44 1 71 420 0338 or your nearest IHT office ng representative.

#### **PEANUTS**

GARFIELD



AH, THE FRAGILE, FLUORESCENT BUTTERFLY..

BEETLE BAILEY

BRING IN A GUY WHO LOOKS

LIKE THIS AND THE POLICE

WILL GIVE YOU \$5,000



WOW!

WHAT CAN BE SAID ABOUT THE BEAUTIFUL BUTTERFLY?











## WHAT DO \$5,000 YOU WANT?







## CALVIN AND HOBBES



WIZARD of ID

NON SEQUITUR

WELL, YOU THOUGHT

IT WAS PRETTY DARN

ROMANTIC ALL 5 TIMES

YOU SAW "TITANIC"!

WANT YOU

TO START

WALKING TWO MILES A PAY











#### DOONESBURY







## A Graceful Chronicler

By Elisabeth Burniller New York Times Service

NEW YORK — William Zinsser is the author of "On Writing Well," a quiet how-to bible that has sold nearly a million copies in 22 years. At 75, be has come to see the teaching of writing as his ministry.

Here are some things Zinsser has told bis flock: Clutter is the disease of American writing. Never use "quotidian" for "daily" or "venue" for "place." Be economical with the semicolon, unless you want to sound like Thomas Hardy. (Maybe you do; Zinsser himself uses the semicolon more often these days.) The dasb -- unfairly considered "a bumpkin at the genteel dinner table of good English" - will get you out of tight corners.

Above all, remember that writing well is lonely and hard. and that all writers are vulnerable and tense. "They're always going to be vulnerable and tense," Zinsser said. "And so am But try to eojoy yourself, he said.

Next week Zinsser is donating his papers to the Fales Library of New York University. There will be a party oo Tuesday to celebrate, and also to mark the publication of the sixth edition of "On Writing

Above all,

remember that

Well." which Zinsser updates whenever he learns something new. "I'm still learning stuff that I didn't know five years ago," he said. "No one comes to you in the mid-

writing well is Medicare years and says: That's it! You got it! lonely and hard. Zinsser spoke in his office on East 55th Street as he luxuriated in the noise of huses groaning down Lexiogton

Avenue. "I love it." he said. Zinsser grew up in Great Neck on Long Island, now lives on East 62d Street. He is the courtly offspring of a "very tidy WASP family" - specifically, a mother who clipped funny newspaper articles for him wheo he was a child and a father who was sad when Zinsser rejected the family shellac business for the wonders of the old New York Herald Tribune. It was, of course, a gentle rebellion; oo ooe has ever called Zinsser a

revolutionary. But dignified and principled, yes. He has had many jobs over the years (chief movie critic of the Herald Trihune was among the best), hut the one he cherishes most is teacher, From 1970 to 1979, he taught a nonfiction writing course at Yale that grew into his book.

Some of his students became professional writers, Christopher Buckley and Mark Singer of The New Yorker among them, but many more were civilians who became doctors and lawyers. Singer has solicited testimonials from them for Zinsser's party, and judging from the quality of their e-mail, they know, mostly, how to whack through verbal weeds. Zinsser will be pleased.

"My dad thought that Zinsser was great, though he never met the man," wrote Steve Ballou, a family doctor in north-west Quebec. "Of all the work I brought home from Yale, it was my creative-writing papers, and especially the profuse comments in the margins,

that interested him. My dad

said that he really felt he was getting his money's worth."

time this past year pulling to-gether what New York Uni-

Zinsser has spent a lot of

'I'm still learning stuff that I didn't know five vears ago.'

В

7

versity calls the William Zinsser Papers. Since he hates pomposity, written and spoken, he is quick to say that his "papers" consist of his newspaper and magazine articles, as well as 15 books he wrote and six he edited. He also has letters from readers and students.

How has he organized it? "Well," be said. "What you do

is get new manila envelopes." He gestured to his office bookshelf, where the eovelopes were neatly filed, and to a few cardboard boxes on the floor. "My eotire life is in this corner." he said. Inside one of the envelopes was a 1963 article from The Saturday Evening Post on a promising new comedian, Woody Allen - one of about 200 magazine articles Zinsser wrote in a decade as a free-lancer.

Zinsser's two children are now grown. His wife, Caroline, former director of the Bank Street School, is the program officer for education at the Rockefeller Brothers Fund. They have a weekend house in Connecticut, where she gardens and he does not. "I just sort of bicycle around looking for people to talk to," be said cheerfully. "I am not that self-amusing."

Zinsser went to Princeton and teaches writing at the New School, but is giving his papers to NYU because the school wants them. Besides, he likes the idea of baving the record of his entire professional life in New York. And he doesn't mind parting with them?

"Well," he said slowly, "I do. But I can get on the No. 6 train and go down and see them."

Anne Heche Awaits the Word: Is She Still a Star?

OS ANGELES - Anne Heche was one of the fastest-rising I was in it, it was hurtful and young actresses in Hollywood, increasingly sought after by A-list directors and studio executives, a comedian and a dramatic actress whose range and intensity had ald, was, in Heche's words, stirred Hollywood's attention, she seemed poised to be a big star.

By Bernard Weinraub

New York Tomer News tea

Then she and Ellen DeGeneres fell in love.

"I was naive, hugely naive - I fell in love, and I actually didn't believe people would care." Heche, 28, said quietly at the home she shares with DeGeneres here. died in a car crash three months later. After that, she 'And then everything came crash- and her mother. Nancy. ing down, In an instant, I was told I was not going to have a joh anymore. The Hollywood community and friends and family backed away. Nohody was there. Nohody was hiring me. And then the word

Seven Nights. Heche was cast in that high-profile comedy - which opens in the United States on June 12 - virtually moments before she revealed her relationship with DeGeneres a year ago. The director of the movie, Ivan Reitman, and the studio that was making it. Walt Disney, were worried. Never before had an actor or actress been this forward about having a gay relationship and, at the same time, asked Hollywood and the public to accept them as a heterosexual romantic lead.

And not just an ordinary romantic lead. In this case she was starring opposite Mr. Macho. Harrison Ford, in a film about a sleek New York magazine editor (Heche) who is stranded on a deserted island with a scruffy cargo pilot (Ford). The two have nothing in common, and then. well, one thing leads to another.

There has never been an openly gay actress in a movie, certainly a movie as big as this - and they had a right to be nervous." Heche said, "All of them were, and I saw that. And I thought, well,

maybe this is an opportunity to change people's minds, to shift consciousness. Maybe it's history-making. But when weird."

Heche grew up poor, mostly in Ohio and southern New Jersey. Her father, Don-"a split personality, schizophrenic. who barely eked out a living as a church organist. A gay man who never revealed his homosexuality.

he died of AIDS in 1983, when she was 14. Her hrother moved to Chicago, and family life unraveled. We never told the truth in

our family - never told the rruth about one thing." Heche said. "We were poor, but we came that everybody was going to said we were rich. We were wait and see how I did in 'Six Days. falling apart, but we said we were good Christians. We had a father who lived a double life, hut we pretended that we were absolutely fine. We lived on the streets but said we ile. Denial. denial, denial. It is Heche's hunger to tell the

truth, whatever the price, that led to the media frenzy over her relationship with DeGeneres. As for the cynics who said that Heche's coming out was actually a career move, Heche rolled her eyes. they're gay to promote their careers," she said.

With the exception of "Force Majeure," a movie directed hy Joseph Ruben that opens in August, scripts have been hard to come hy for Heche — despite critics' overwhelmingly positive comments last year on her performances as a White House aide in "Wag the Dog" and as the long-suffering wife of the federal agent played by Johnny Depp in "Donnie Brasco."

'I have not gotten any offers," she said, referring to the time since



didn't. Everything we did was DeGeneres, left, and Heche at a Human Rights Campaign Fund dinner.

the making of "Force Majeure." Her nervousness about "Six Days, Seven Nights" is palpable.

"I mean, there is an element of people going to see the movie and wondering if I can create the reality one of producers.

Reitman said. "She just got un-That's hrillian - people saying and hopefully this will take away everybody's questions," she said.
"Actors act. I want to get back to that. Come on, this is my joh, this is what I do.

liberal place until an issue hiis too close to home - the sexual ori- of him.' entation of a high-profile actor is, at the very least, a subject of discussion

Reitman, whose other films in-clude "Dave" and "Ghost-husters," insists there was scant

bener-known actresses as Nicole Kidman and Sandra Bullock. "She had this amazing chemistry with Harrison, said Roger Birnbaum,

der Harrison's skin and made him come alive and energeoc in a different way than anyone else had done. He's an extraordinary actor, and you wanted someone to hold But in Hollywood — which is a the frame as well as he can. And she was neitber intimidated nor fearful

> As for Ford, the star said that Heche's sexual ideotity was simply not important to him. "I could care less," he said. "I don't judge that to be an issue.

She has a mind of her own," he concern about Heche's private life, added, "she's clear on the charhut this sounds unlikely. To get the acter she's representing and she has world works."

an apparently simple process of acting. Anne doesn't find acting a convoluted process. She finds acting easy and

Rhad's Dails Yen spaper

S. Job Machin

M.D. State To.

Is. Senate Unan

h Overhauling t

Laporers Would Get Extensive !

scaldly some

By Afren B Comme

FURNITUS -

is und manage.

ordendaris

TOTAL STATE

THE WITH THE

國國司之.....

OF BET INFR

case cabros:

N 100 2000 2 isalen at \$10." - - - -

accide the E

Be DIXIPENED AND A

The measure

economic les partir

almes and milities

raics of SUL

and upth the second

ne inin ---

pair and excellent

hako wood

me a most

After playing in "Another World" in New York for a time, she moved to Los Angeles in 1988. She got work almost immediately, winning a role in TNT's "Kingfish" The Story of Huey P. Long." for example. She received encouragement from directors like Barry Levinson and John Frankenheimer and stars like Jessica Lange and Al Pacino.

Before meeting DeGeneres
Vanity Fair's post-Academy Awards party at Morton's two years ago, Heche had been in extended relationships with several men - including Steve Martin, for about two years. She said that as soon as she met DeGeneres; whom she bad not watched much on television, she was almost hlinded with love. "I just knew hliss in that moment, she said.

DeGeneres said she bad

first seen the actress in Walking and Talking (1996). I didn't know who

plum role. Heche had beat out such she was and asked my friend, 'Who is that? She's amazing, 'said De-Generes. 'And then I met her at the Vanity Fair party. And it was a chemistry thing that you can't really describe. It just happened."

The two said they hoped to work together soon. Heche said she wants to emhark on a writing career, especially if her acting pros-pects are seriously damaged. So is she scared?

She paused again. DeGeneres watched her. "If I didn't act, I'dbe crushed." she said. "That's the thing that hurts most. The idea that someone was going to take away what gives me the most pleasure because of my sexual orientation. That's the most unfair part. I don't think that's the way the world works. I bope it's not the way the

## **PEOPLE**



The singer Andrea Bocelli receiving his World Music Award from the Italian actress Monica Bellucci. famous by the Village People in 1978

A MONG the hig winners at a World Music Awards ceremony in Monaco were Mariah Carey, Gloria Estefan and Andrea Bocelll. The event, under the patronage of Prince Albert and Princess Stephanie, rewards record sales. The actor Mickey Rourke and the former boxing champion Mike Tyson presented some of the top prizes in front of an audience of about 1,000. Funds raised by the ceremony will go to help huild hospitals in Niger and Egypt.

the late variety-music star Claude Francois, was France's biggest musical

export last year, 30 years after it was first penned. Frank Sinatra made the song into an even bigger bit called "My Way." SACEM, the French association of music writers and composers, said Francois' song sold more ahroad in 1997 than any other French musical work. In second place was Maurice Ravel's "Bolero." "Go West," the song made and written by two Frenchmen, Jacques Morali and Henri Belolo, was ninth.

Roger Moore, the actor who played James Bond seven times since 1973, says there's too much violence these days -particularly when it comes to 007. "I dido't like the last few Bond films, Moore said. "The bad guy was machinegunning hundreds of people down."

"Seinfeld" fans will have to make like Jerry, George, Elaine and Kramer Cape Times. Botha, 82, broke off the "Comme d'Habitude," the hit song for the final episode and bang out at engagement after confronting Naude, home. Fuji Photo Film gave up oo plans to stage a "Seinfest" in New York City for thousands to watch the May 14 finale together. "People are as surprised as we are that New York's not doing a party." said Mindy Kramer, the company spokeswoman. The effort to pull together a public farewell had been going on for weeks. Mayor Rudolph Giuliani rejected the notion of staging a bash in Times Square, which prompted Radio City Music Hall to offer itself as a

venue. But that idea fizzled, too, so Fuii hoped for Bryant Park. The parks com-missioner said "no," but floated the possibility of Central Park. It's too late now, said Fuji, which bas purchased \$1.8 million worth of commercials for the last episode.

The engagement between the former South African president Pieter W. Boths and Reinette te Water Naude is reported to be off because the francée is still seeing her former boyfriend, according to the over rumors that she was seen hand-inhand with Pik Schoeman, a police detective, the newspaper said. Botha and Naude became engaged in October.

· 🖂 Aerosmith's lead singer. Steven Tyler, is on the mend from knee surgery that forced the band to postpone its North American tour through June 4. Tyler hurs his knee when he fell during? concert in Alaska last week.

## Rattled Japan Ca

By Sherry Warrant	
MISCSHIMA	
E the word on the	
a lei behann	~.€
Aformer factory, and the factory and facto	de.
who will be to be to be a first	. 4

## In Awakening in attered Women Get Attention in Sensitize the Public to Domest By Jane Periez

Danies are of RESZKOW, Poland - L. Carobal Deca ENTE WAY Bozena L. felt flancie non her new husband ship and in wife, her a fe walked her to work, The terms त्रीया रहत्वा प्रशेष dinward and was always concerned TO STATE AVIOLET MER CA the style of many Polish men 1 distance the p e n act like gallant knisht and his head and kissed women. TISCE de y CRIMARE Alexander Project is he began to abuse her. PROPERTY AND PARTY FROM and his protectivenes Carlo Charge Now 15 years later after " " in her repealed bearing. The Land time t " L. Lat walter STATE A

firminal charges against a for divorce. But Bozers des two soms still live with the man Pots Towns, 1

THE SA

THE STREET A Received T. (1) E.

Company of the last

Fred Comment

Toll L

- -TE SEASON

---

ALCON. Service Andrews Section 4

The state of the s

-

I hosband. Caeas came home Ad apartment on a recent 1.21. 2 all with two Visitors in 2 bear he seehed with anger. He colored Month now separate accept home so slightly, she quivered. Violence is become a time in Poland, a Ration & France of the family is of aurost importance and where more

10.00 FF LEDBIC-





and use AT&T Direct\* Service. With the words mode powerful notwork you get fast clear reliable connections from Cannes or anywhere. Plus you'll always have the option of an operator who speaks your language.

Steps to follow for easy calling worldwide: L. just dai the AT&T Access Number for the country you are cailing from.

Credit card calling subject to availablely Payment terms subject to your credit card agree

2. Diai the phone number you're calling.

3. Drail your card number



0-800-100-10 .00-42-000-101 ...510-0200 ...0130-0010 AT&T Access Numbers .00-800-1311 1-800-550-000 . 1-800-94-94-949 ..020-795-61 --.... 172-1011 0900-022-911 w)+.....755-5042

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at: www.att.com/traveler your credit card agreement. Build-faced countries permit object-to-kountry calling autorize the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of Calling available to most countries. The bit priories to a consist of the cost of Calling available to most countries. The bit priories to a consist of the cost of Calling available to most countries. The bit priories to a consist of the cost of Calling available to most countries. The bit priories to a consist of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries. The bit priories to a consist of the cost of the Calling available to most countries.



صكنات الاعل